

The NATIONAL UNDERWRITER

OHIO'S OWN COMPANY

The American National Fire Insurance Company

Columbus, Ohio

HOME OFFICE: 50 West Broad St., Columbus, Ohio



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Fire — Windstorm — Automobile — Inland Marine

Member Great American Group

OHIO AGENTS CONVENTION

THURSDAY, OCTOBER 29, 1936

SOUND STOCK COMPANY INDEMNITY

Stock fire insurance as an institution has met every emergency and catastrophe which has visited this country. Stock fire insurance has been elastic enough to relieve the business interests of this country of every conceivable risk which changing conditions have developed. We refer to War Risks, Strike and Riot, Explosion, Hurricane and Earthquake. Stock fire insurance is a business stabilizer and shock absorber. Stock fire insurance wears well and serves well.

STATEMENTS OF JUNE 30, 1936

	Capital	Assets	Liabilities	Surplus to Policyholders
*UNITED STATES FIRE INSURANCE COMPANY.... Organized 1824	\$2,000,000	\$31,388,432.08	\$11,309,732.97	\$20,078,699.11
*THE NORTH RIVER INSURANCE COMPANY..... Organized 1822	2,000,000	22,498,583.23	6,718,906.82	15,779,676.41
*WESTCHESTER FIRE INSURANCE COMPANY..... Organized 1837	1,000,000	18,258,702.07	7,373,166.90	10,885,535.17
THE ALLEMANNIA FIRE INS. CO. OF PITTSBURGH Organized 1868	1,200,000	5,325,806.04	1,691,686.43	3,634,119.61
*RICHMOND INSURANCE COMPANY..... Organized 1907	1,000,000	4,675,418.68	1,341,284.95	3,334,133.73
WESTERN ASSURANCE CO., U. S. Branch..... Incorporated 1851	400,000**	4,276,298.72	1,551,472.53	2,724,826.19
BRITISH AMERICA ASSURANCE CO., U. S. Branch.. Incorporated 1833	200,000**	2,873,248.24	854,148.83	2,019,099.41
SOUTHERN FIRE INSURANCE CO., Durham, N. C.... Incorporated 1923	200,000	1,503,975.68	448,240.76	1,055,734.92

*Company operates under Section 130-1-2 of the New York Insurance Law.

**Statutory Deposit—New York Insurance Law.

CRUM & FORSTER MANAGERS

110 WILLIAM ST.

NEW YORK

WESTERN DEPT.
FREEPORT, ILL.

PACIFIC DEPT.
SAN FRANCISCO

SOUTHERN DEPT.
ATLANTA

ALLEGHENY DEPT.
PITTSBURGH

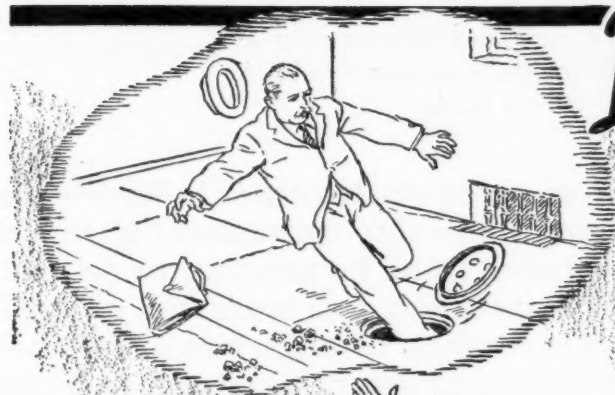
CAROLINAS DEPT.
DURHAM, N. C.

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Fortieth year. No. 44. Thursday, October 29, 1936. \$4.00 a year, 20 cents per copy. Entered as second class matter, April 25, 1931, at post office at Chicago, Ill., under act of March 3, 1879.

PUBLIC ENEMY

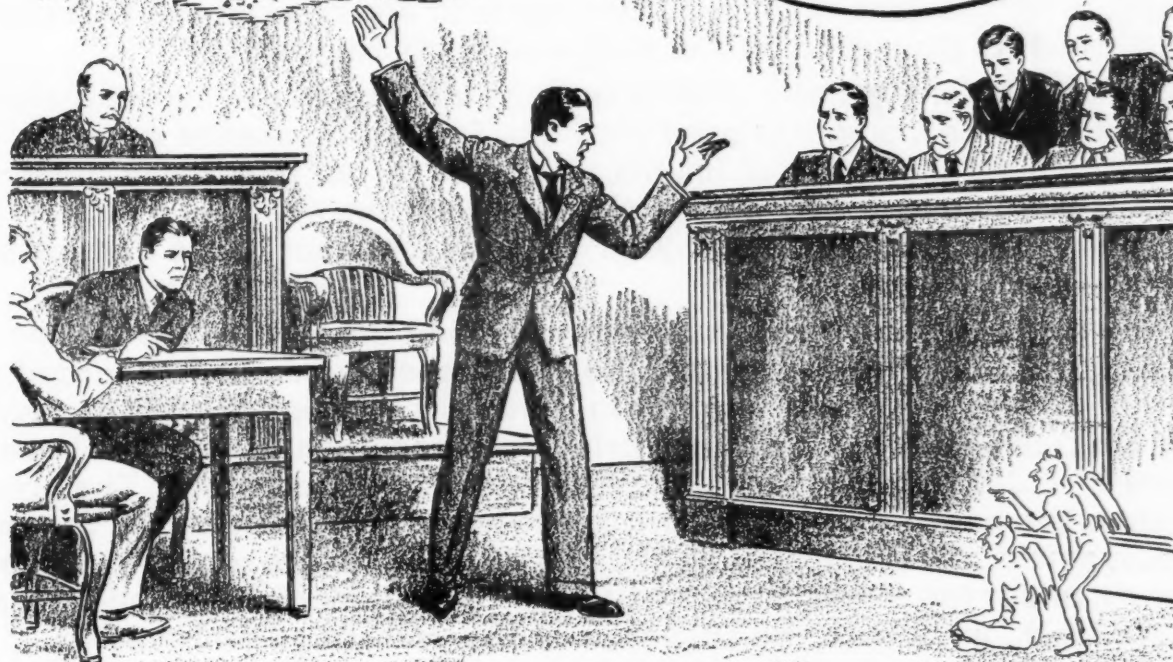
No 6

Damage Claims



COMMON ENEMIES TO GUARD AGAINST

- | | |
|-----------------------|----------------------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR ACCIDENT | 10 MARINE DISASTER |
| 3 WINDSTORM & TORNADO | 11 RAILROAD WRECK |
| 4 PERSONAL ACCIDENT | 12 FALLING AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE CLAIMS | 14 RIOT OR CIVIL COMMOTION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| | 17 DISHONESTY |



Claims for Damages, arising from alleged injuries, are a **CONSTANT MENACE**, court calendars and insurance records testify to the fact that the public is becoming ever more claim-minded. If injury to others occurs on your property, through your fault or otherwise, a **CLAIM FOR DAMAGES** is almost certain to follow, and juries are notoriously liberal with other people's money. Therefore, lest the **IMPS** of misfortune foreclose on your savings—be forearmed with **INSURANCE PROTECTION** to defend your purse and safeguard your peace of mind.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS
CANADIAN DEPARTMENT
461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT

10 Park Place
Newark, New Jersey

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT.
912 COMMERCE STREET, DALLAS, TEXAS

BROOKS CHALLENGES HORNER

At a meeting of insurance men and women held at the Union League Club, Chicago, October 19, 1936, C. Wayland Brooks said,

"Despite his frequent eulogies on insurance no Governor in Illinois history has permitted his political henchmen to so ruthlessly commandeer all insurance on state contracts as the present Governor. Does he pretend to be unaware that state contractors, road builders, filling station operators and all like business men are forced to buy bonds and insurance through one or two certain offices? Is he ignorant of the fact that you men are refused the right to furnish your clients insurance on any state contracts they obtain?"

"Let the Governor state at his insurance meeting next Thursday whether he knows what men, and only what men can furnish insurance on state contracts. The insurance men of Illinois want him to tell how many millions in premiums were collected by his henchmen during the past 3½ years. Where did these millions go? Did they pay for his primary sham battle and his present campaign?"

"You men in the insurance business will doubt the sincerity of anyone who boasts of the insurance regulations he has passed, when he has forced your clients to give your rightful business to Horner henchmen. Details of administering the Department of Insurance bring no consolation to men who have lost thousands of dollars through the political coercion of insurance. The present administration has brought spoils politics to a new record in Illinois. Your state wide movement marshaling insurance agents and brokers regardless of party affiliation, under the slogan, 'To remove political influence from the insurance business,' is an answer to the challenge of the present administration."

"When I am elected Governor of Illinois I will do all in my power to end political interference with business and to halt the diversion of insurance from its natural competitive channels."

HORNER DID NOT ANSWER

Vote for C. Wayland Brooks, Republican Candidate for Governor and all the Candidates on the Republican State Ticket on November 3rd and drive the "SPOILS SYSTEM" out of the insurance business in Illinois.

REPUBLICAN INSURANCE COMMITTEE OF ILLINOIS

Organized to Remove Political Influence from the Insurance Business

175 W. JACKSON BLVD., CHICAGO, ILLINOIS

WEEKLY
NEWSPAPER
OF
INSURANCE

The NATIONAL UNDERWRITER

Fortieth Year—No. 44

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 29, 1936

\$4.00 Per Year, 20 Cents a Copy

Direct Writing Is Attacked in East

Massachusetts Association in
Move to Unify Agents in
Combating Idea

GATHER AT SPRINGFIELD

Commissioner De Celles, Greeno, Doremus, Hannah, Downs Speak—
Parker New President

NEW OFFICERS ELECTED

President—C. Conrad Parker, Worcester.
Vice-president—Charles C. Hewitt, Boston.
Secretary-treasurer—Fred A. Norton, Salem (reelected).
National Councillor—Edwin J. Cole, Fall River.

By RALPH E. RICHMAN

The Massachusetts Association's two-day convention held in Springfield was a fitting climax to the three years' administration of C. K. Steele, retiring president, attendance being the largest in years, and definite purpose and specific action dominating the addresses and program. Continued traveling in the present direction many leaders believe, will soon bring the Association to the forefront among state organizations doing their jobs with spirit, enthusiasm and power.

The service of E. J. Cole, Fall River, as president of the National Association of Insurance Agents was a stimulating influence, but the aggressive leadership of Mr. Steele in the past three years has been a first factor.

Secured Capable Leaders

The association has been fortunate in retaining counsel and leadership of wise and proved veterans like the incoming president, C. Conrad Parker of Worcester, Fred R. Smith, Haverhill, and also attracting youthful energy and initiative of men like retiring President Steele and H. R. Preston, Springfield, who as membership chairman directed the drive that brought increase from 358 to 427 in the last year. C. C. Hewitt, the new vice-president, is former vice-president National Fire now connected with the Boit, Dalton, Church and Hamilton Agency, Boston. Mr. Hewitt has been in agency work in the state, forging to the first rank in agency leadership.

To Combat Direct Writing

Looking to the future, the most important action was approval of Mr. Hewitt's proposal to unify all agents to combat direct writing. The proposal was referred to the executive committee with instructions to hold a special meeting for its consideration, presidents and secretaries of local boards to receive invitations. A definite plan will be considered and recommendations of the

(CONTINUED ON PAGE 16)

J. V. Parker, Rate Making Genius, Is Dead at 63

J. V. Parker, general manager of the Western Actuarial Bureau of Chicago, who had been incapacitated for about a year, died at his home in Evanston, Ill., Monday evening. Funeral services were held in Evanston Wednesday afternoon and burial is taking place in the town of his birth, Newport, Minn., where his father, Charles A. Parker, still resides, Thursday afternoon.

Although those who were close to Mr. Parker felt that he would never be able to return to his work, they had hoped he would recover so as to be able to enjoy a few years of leisure. His condition in September was encouraging, but he suffered a relapse.

In September of this year, Mr. Parker was given the title of general manager of the bureau. He formerly had the title of manager. At that time, Russell Hobbs, who had been actively in charge during Mr. Parker's illness, was made manager.

Significant Figure

Mr. Parker was one of the most significant figures in the history of fire insurance in the middle west. The Western Actuarial Bureau was built around his dominating personality and he supervised the transition of fire insurance rate making from a parochial, uncoordinated procedure to a systematic, organized undertaking in tune with modern times in the middle west.

Mr. Parker was born in Newport June 2, 1873. He started in the real estate and mortgage business in 1892 and two years later went with the Security Trust Company of St. Paul, remaining until 1895. In 1896, 40 years ago, he got his first taste of insurance, making a connection with the J. Quincy Haas agency of St. Paul. His business career was interrupted when he enlisted in the 13th Minnesota regiment during the Spanish American war and served in the Philippines.

State Rate Regulation

Upon his return he went with the Sun as an examiner in its western department in Chicago. In 1902 he went with the old Illinois State Board and the old Compact office, making rates in Chicago. In 1904 he started working with A. F. Dean, who was devising the famous Dean schedule. Mr. Dean selected Mr. Parker to help in applying the schedule as an experiment in Illinois. Mr. Parker displayed unusual aptitude for the work and demonstrated the practicability of the schedule. He continued to work with Mr. Dean until 1909, when he organized the Western Actuarial Bureau to handle the details of the schedule work with the various state bureaus.

At about that time, middle western states began passing state regulation measures. An important phase of Mr. Parker's work was to develop a setup under which the companies could operate in accordance with the various laws. He developed a rating bureau system

(CONTINUED ON PAGE 16)

W. M. Frink Now Assistant Manager of Norwich Union

TWO OTHERS ARE ADVANCED

K. S. Ogilvie of Chicago Heads Western and Southern Departments—
Brainerd in Charge of East

NEW YORK, Oct. 28.—Manager Hart Darlington of the Norwich Union Fire, Eagle Fire of New York and Norwich Union Indemnity, announces the advancement of three well known officials of the group. W. M. Frink, formerly general agent of the western and southern departments, becomes assistant manager of the three companies. He is succeeded as general agent of the two departments by K. S. Ogilvie, who has heretofore been in charge of the Chicago office, being responsible for Indiana and St. Louis, and working on general assignments throughout the middle-west.

C. E. Brainerd, formerly agency superintendent of the western and southern departments, now becomes general agent of the eastern department.

Frink Is Well Known

Mr. Frink is one of the best known agency executives that has been responsible for the western field. He started as an office boy in the western department of the Connecticut Fire at Chicago. Later for several years he was connected with the old Insurance Survey Bureau. After this training, he took up field work, first for the Connecticut in the south and later for the Firemen's in the southwest. He traveled for the Firemen's for about 10 years, being transferred after a time to Illinois. In 1917 he was made Illinois state agent of the Royal and shortly thereafter was made underwriting supervisor in the western department. He was then appointed superintendent of agents of the western department of the Royal, resigning in 1925. A few months later he went with the Norwich Union as assistant general agent of the western department with headquarters in New York. A year later upon the retirement of J. H. Burger, Mr. Frink became general agent of the department. He has been in the business since 1898.

Mr. Brainerd has been at the New York head office for several months, having been recalled from the Ohio field, to resume his former post.

Mr. Ogilvie has been with Norwich Union several years, working closely with Mr. Frink.

Special Inserts Cover Association Gatherings

Three state association meetings are reported in this week's issue. A special insert starting on page 33 carries the proceedings of the Ohio agents' gathering as reported by C. M. Cartwright. In another insert on page 39 W. A. Scanlon reports on the Tennessee agents' sessions. The California agents' convention is reported on page 5.

Apply New Jersey Scheme in Ohio

Have Unified Plan for Handling
Cover on Distressed Loan-
ing Institutions

TOLD AT AGENTS' RALLY

Columbia of Dayton to Be Issuing Com-
pany With Reinsurance in
101 Companies

COLUMBUS, O., Oct. 28.—At the closing session of the annual meeting of the Ohio Association of Insurance Agents here, it was announced that Alfred H. Benesch, director of the department of commerce, acting for the insurance, banking, and building and loan divisions, has approved in principle the New Jersey plan for handling fire and wind storm insurance required by that department for properties of distressed loaning institutions.

The plan adopted by the commissioner of banking and insurance in New Jersey in November, 1935, distributes all such insurance to the 91 companies which in 1934 wrote one-fourth or more percent of the total fire insurance premiums written by all companies in New Jersey.

The New York state mortgage commission some weeks ago announced the addition of the so-called New Jersey plan.

Columbia of Dayton Named

In Ohio it is proposed to use the Columbia Fire of Dayton, a member of the American group, as the company of issue, each of the other participating companies to receive its share of the liability and the premiums as a reinsurer of the Columbia. There are 101 companies which qualify under this classification for participation in this business. It is felt that this classification of companies, including as it does both stock and mutual, probably includes all of those who had any considerable participation in this business heretofore.

Carefully investigating all phases of the plan, Director Benesch submitted it to Attorney-general Bricker for an opinion as to its legality. Mr. Bricker handed down an opinion that the plan was legal, and stated: "I have advocated such a plan of equally distributing all of the insurance business of the state without regard to political considerations and favoritism, and I am pleased to see that the insurance agents association of Ohio has succeeded in securing serious consideration thereof by the administration."

It is recognized as a basic principle of the operation of this plan in New Jersey that its success rests largely upon the services to be rendered by the agents of the state association of local agents. A centralized responsibility is an indispensable requisite to accomplish the savings which have grown out of this plan

(CONTINUED ON PAGE 53)

Julian Lucas Only One to Urge Standard Policy Change

NEW YORK, Oct. 28.—The first, and thus far the only, extended compliance with the request of Superintendent Pink of New York for suggestions as to possible changes in the standard fire policy of New York, emanated from Julian Lucas of this city, president of the National Association of Insurance Brokers.

As chairman of a special committee to consider policy revisions appointed at the last annual gathering of the National Association of Insurance Commissioners, Mr. Pink addressed the National Board, Insurance Executives' Association, National Association of Insurance Agents, National Association of Insurance Brokers, Risk Research Institute, a number of outstanding adjusters, several university professors, specializing in insurance, as well as each of his fellow commissioners, soliciting suggestions as to what changes, if any, should be made in the standard form of contract.

Most Replies Perfunctory

While numerous replies have been received, in the main they merely advised that, by virtue of the importance of the subject, time would be required for its mature consideration.

The letter of Mr. Pink to the National agents association was read before the meeting of its executive committee at the Pittsburgh convention, with the result it was decided "to make a survey of state association sentiment, which will be compiled by a special committee of three to be appointed later."

The opinion of Mr. Lucas was offered "as an expression of personal views, not for the purpose of having them adopted but with the idea of creating interest and discussion thereon on the part of the membership." To that end he recommends that each association embrace in the parent body appoint a committee to study the subject and report their conclusions.

Views of Company People

Later, it is anticipated, other associations and individuals will be heard from, and a report will be presented at the mid-year meeting of the commissioners in Hot Springs, Ark., the week of Dec. 7.

Company executives with few exceptions are credited with being opposed to any change in the present standard form, maintaining there has been no particular call for its alteration on the part of assured, that its provisions within the past nearly 20 years have been interpreted by the courts, and that were any important alteration made, considerable time would have to elapse before judicial reviews could be had. The executives believe the form well serves the needs of the public. Moreover, rate making would be disturbed if the liability provisions were altered in any material respect.

Bar Association Negative

It is pointed out that the American Bar Association at its annual meeting in Boston some months ago studied the matter of the standard fire policy, concluding not to recommend any changes. On the other hand, some of the most influential brokers of this city argue that the contract could be simplified to advantage and its coverages broadened; action that would serve to offset the constant call for rate reductions and enable the stock companies more effectively to meet certain forms of competition.

Secretary W. H. Bennett of the National agents' association, states "there appears to be [among agents] general agreement that the language of the form now in use is practically unintelligible to the layman; that the provisions are distorted or nullified outright by endorsements; that uniformity among the states is highly to be desired."

That uniformity of policy conditions the country over would be desirable few

would deny. However, that objective is seemingly impossible to achieve.

When a number of years ago the commissioners scored the fire companies for the differences in contract forms and underwriting requirements obtaining in different jurisdictions, and strongly urged uniformity of practice, the National Board had Russell D. Hobbs, now manager of the Western Actuarial Bureau, make a study of the laws of each state. The result disclosed such wide diversity of requirement that when the completed report was submitted to the commissioners the subject was dropped, and it has not since been referred to.

Recommendations of Lucas

Mr. Lucas is an outstanding broker of New York City, being president of Davis, Dorland & Co. For years he has made a study of policy conditions, and has at his finger tips the forms of contract required in practically every state and the extent to which each differs from the other. His library of insurance decisions is probably as complete as that of any in the land, and Mr. Lucas is able to quote the more important cases without reference to his files.

Mr. Lucas recommended that to the insuring clause should be added coverage of direct loss by lightning and the exclusion of such loss should be eliminated from lines 59 to 61 of the present policies. He recommends removal of the exclusion of liability for loss caused directly or indirectly by riot. He would provide coverage for the destruction of property by civil authority in order to prevent the spread of a fire.

Mr. Lucas pointed out that practically all the restrictions in the policy from lines 32 to 58, with the exception of paragraph B (increase of hazards) have

(CONTINUED ON LAST PAGE)

Veterans on the Roll of Life Members Society

At the annual meeting of the Life Members Society of the Northwest Association, Secretary W. J. Sonnen read the roll of members who have been connected with the organization for 45 years, they being as follows: H. F. Atwood, former president Rochester German, now residing at St. Petersburg, Fla.; O. C. Kemp, former western general agent Delaware Reliance and Rochester German, now living at Richmond, Va.; S. D. Andrus, former assistant western manager Providence Washington, now in the local business at Detroit; H. T. Lamey, former general agent Western & British America at Denver, now living at Oil City, Pa.; J. A. Kelsey, New York City, United States manager of the Tokio; F. W. Lee, former western special agent New Hampshire, now living at Jamaica, N. Y.; D. W. Redfield, former assistant manager and later co-manager of the Pennsylvania and now living at Los Angeles; W. A. Chapman, former western manager Fireman's Fund, now residing at Evanston, Ill.; G. W. Blossom, Sr., chairman of the board Fred S. James Co., Chicago; L. E. Hildreth, former general adjuster in the western department of the Hartford, now residing at San Rafael, Cal.; H. N. Kelsey, former United States manager Hamburg-Bremen, now in the reinsurance business in New York City; A. J. Love, local agent in Omaha; F. M. Fargo, former special agent United Firemen's, now residing at Minneapolis; W. L. Steele, formerly western manager Niagara Fire, now living at Nyack, N. J.; C. F. Barnard, former adjuster at Cleveland, now at San Francisco; A. E. Clough, formerly with the London Assurance in Michigan and now a member of the committee of losses and adjustments of the New York Board; C. L. DeWitt, assistant U. S. manager Eagle Star & British Dominions, and W. E. Higbee, Fred S. James & Co., Chicago.

Decision in Schenley Case Doesn't Concern New Form

U. S. FIRE WILL NOW APPEAL

Cover Was Revised After Loss to Remove Doubt as to Obligation to Report Values

The decision of the federal court in New York holding against the United States Fire in a dispute over the extent of the liability of that company for loss by fire to the James E. Pepper Company whisky warehouse at Lexington, Ky., on April 28, 1934, is of only academic interest to the business as a whole. This is true because the reporting form under which the coverage was written was subsequently revised in the particular that constituted the cause of dispute between United States Fire and the Schenley Corporation, owner of the Pepper warehouse. Appeal will be taken by U. S. Fire.

The Schenley people had not filed a report of values at the Pepper warehouse between Dec. 31, 1933, and the time of the fire. The U. S. Fire contended that it was not liable for more than 5 percent (its participation in the line) of the values as reported Dec. 31, 1933, because of the delinquency of Schenley in not reporting values monthly. In the form on which this business was written, clause 8 read: "The premium named in this policy is provisional only. The actual premium consideration for the liability assumed hereafter shall be arrived at by the following methods: The assured hereby agrees to report to this company not later than . . . days after the first of each month, the exact location of any properties covered hereunder, the total value of such property in each location and any other insurance in force at any or such location on the last day of the preceding month."

Blank Space Not Filled

In the U. S. Fire form, the blank space was not filled in.

"I am satisfied from the evidence in this case," the judge declared, "that the failure to fill in the blank in clause 8 was deliberate. This left the assured with an obligation to make the monthly report, but with no definite time fixed for filing such reports. There is no sound reason for interpolating in the policy a requirement that each report should be filed within a month after the reporting date. If that had been the intention, the blank would certainly have been filled in in clause 8. There is no inconsistency either, in having the filing period extend for more than a month; the obligation to report would still remain and continue regardless of the time for filing. I think the language as it now stands is to be construed as requiring a filing within a reasonable time."

No Unreasonable Delay

"And clearly, on the present showing there was no unreasonable delay. The three reports before the fire were received 59 days, 42 days and 52 days, respectively, after the applicable reporting date. All of these dates were accepted without objection or protest."

The U. S. Fire contended that the extent of its liability was \$24,000 whereas under the decision of the court it must pay \$132,523, with interest.

In January, 1935, the form was revised. The value reporting clause, which is No. 7 in the new form, now provides that the insured shall report to the company not later than 30 days after the last day of each month, the exact location of all property covered, total of such property at each location and all specific insurance in force at each of such locations on the last day of each month.

James E. Gowen, president of the Western Saving Fund Society, Hartford, has been elected a director of the North America to succeed the late John Griffel.

THE WEEK IN INSURANCE

So-called New Jersey plan for handling insurance on properties in the hands of distressed lending institutions is to be applied in Ohio. **Page 3**

Direct writing attacked by Massachusetts agents association in annual convention; plan of action formulated; Parker elected president. **Page 3**

J. V. Parker, general manager of the Western Actuarial Bureau, dies at his home in Evanston, Ill. **Page 3**

W. M. Frink is appointed assistant U. S. manager of Norwich Union. Ogilvie and Brainerd are also advanced. **Page 3**

United front marks California agents' annual gathering. **Page 5**

Julian Lucas, head of the National Association of Insurance Brokers, is the only person who has presented a formal request for a change in the standard fire policy to the commissioners' committee now studying the project. **Page 4**

Association of Purchasing Agents of Insurance Companies has been formed in New England and may be extended. **Page 6**

Some 400 agents of the Royal-Liverpool groups gather in Chicago for educational conference with head office people. **Page 12**

C. C. Hewitt, Boston local agent, brings out some thoughts on the direct buying movement. **Page 5**

Recommendations made by St. Louis committee to improve situation in that city. **Page 18**

Annual meeting of the Maine Association of Insurance Agents was held last week. **Page 20**

Annual meeting of the Ohio Association of Insurance Agents is held this week at Columbus. **Page 33**

Blanket residence theft policy for \$500 brought out by Indemnity of North America. **Page 44**

Secretary W. H. Bennett of the National Association of Insurance Agents, in his talk before the Ohio association, called attention to the cooperative consumer buying movement and its stages. **Page 33**

W. S. Keese of Chattanooga has been elected president of the Tennessee Association of Insurance Agents. **Page 39**

Whittling down claims is a large factor in claim-padding and fraud, assistant district attorney in charge of New York county accident fraud bureau tells General Brokers' Association of New York City at its annual banquet. **Page 43**

Commissioner DeCelles attempts to win producers to his side of the automobile rate controversy, in addressing the annual meeting of the Massachusetts Association of Insurance Agents. **Page 43**

American Trucking Associations, at annual meeting in Chicago, empowers its insurance committee to negotiate for satisfactory coverage in behalf of members. **Page 43**

Effect of the important changes in the administration of the Association of Casualty & Surety Executives and the National Bureau of Casualty & Surety Underwriters reviewed. **Page 44**

E. M. Allen, vice-president National Surety, in his Tennessee agents' address, took up the question of commissions on large contract bonds running to the government. **Page 44**

Health & Accident Underwriters Conference to hold annual meeting at White Sulphur Springs, W. Va., May 25-27. **Page 46**

Future of automobile insurance is pictured by H. P. Stellwagen in address before Tennessee agents. **Page 44**

Uptodate developments in the Pacific Mutual Life's rehabilitation. **Page 44**

Cook county judges decided against requiring surety companies to make cash deposits in order to write court bonds in Chicago. **Page 44**

N. Y. Move to Have National Effect

Leaders Think Excess Commission Action Will Have Influence Elsewhere

STERN MEASURES TAKEN

Interest in the Statement Exchange Will Probe Companies as Diligently as Agencies

NEW YORK, Oct. 28.—Interested as were members of the New York Fire Insurance Exchange in the recital by President J. W. Russell at the recent meeting of the stiff fines imposed upon five agencies convicted of excess brokerage payments, they were more concerned with the assurance that the allegations of rule violation of the same nature on the part of several companies would be investigated to the limit. There had been a feeling among some agents that the same diligence was not being exerted in the investigation of companies that had been displayed in the investigation of agents. Hence the gratification voiced when Mr. Russell stated companies are not to be spared. That the administration will go through with its program, be the outcome what it may, is generally believed here. Any failure or display of favoritism would not be countenanced by the department, which has threatened to order a rate reduction unless excess commission payment is ended promptly.

See National Consequences

Leaders in the Exchange believe that radical action taken by the organization which has jurisdiction over the largest and most important premium producing field in the United States, will have repercussions throughout the country. Hence, their determination to rectify shortcomings within their ranks themselves, rather than have the task performed by the department.

While some members held with Hendon Chubb, president of the Federal, that there was no particular point in calling for reaffirmation of the long existing rule governing commissions, others saw no objection to so doing, par-

(CONTINUED ON PAGE 16)

Unified Effort Dominant Note at California Meet

E. C. Fox Warns Against Too Stringent Agency Qualification Measures

A warning against too stringent agency qualification laws was sounded by E. C. Fox, Cravens, Dargan & Fox, president of the California Association of Insurance General Agents, at the California Association of Insurance Agents' annual meeting. The American agency system is a selling system and the more sellers there are the more advertising the business gets and the more it is developed, he said. Even if there are a few part timers, the more capable, wholehearted, full-time representatives eventually get the beneficial results.

"We are all in favor of reasonable agency restrictions and qualifications so long as we do not attempt something monopolistic," he declared. However, the business has developed tremendously in premiums in the last 35 years beyond the proportionate increase in population, and the healthy increase in agency forces has unquestionably been one of the prime factors in this growth. The increasing number of special company organizations that are making a business of pooling special covers, should be watched, he said. These organizations have grown beyond all intention and, although they may have a particular value, the principal effect has been a reduction of premium income and the supplanting of agency and general agency functions, he declared.

Too Many Selfish Motives

"Too much of our supposed cooperation is very largely backed by selfish motives," declared Mr. Fox. The companies should take steps to cease buying their business on a competitive basis from either the producer or the buyer. The companies should cease their mad scramble to make blanket reduction in rates below the point where the agent can make a living, he said.

The companies who believe in organization for the benefit of all should take a definite stand, Mr. Fox said. On the average, production costs are not too high. He suggested that companies who wish to preserve the agency system

(CONTINUED ON LAST PAGE)

NEW OFFICERS ELECTED

President—G. C. Appleton, Fresno.
Vice-president — Donald G. Goldsmith, San Diego.
Secretary-treasurer—T. W. Thomas, Stockton (reelected).
National Councillor—William P. Welsh, Pasadena, (retiring president).

The annual convention of the California Association of Insurance Agents at San Jose set an attendance record with more than 380 registrants. The talk by W. Owen Wilson, president of the National Association of Insurance Agents, on the association's work was a high spot of the meeting. F. S. Dauwalter of the Business Development Office lifted the sights of the agents and made them realize that price should be eliminated from competition. The convention radiated a new spirit of united effort toward definite improvements in the business with companies and producers marching forward together. The dominating note of the convention was that of agency qualification, better salesmanship and more competency in combatting competition. James M. Hamill, past president of the San Francisco Life Underwriters Association, discussed "Fewer and better agents or elimination of the 'unfit'." Ray Decker, president of the Pacific Board, pointed to the necessity for "more salesmanship and loyalty," saying further "There are too many agents—not too many who earn their commissions, but too many appointed agents, too many who perform no service and who are incapable of giving service and who receive commissions which should be benefitting those who are capable and a credit to the business."

Brackett and Kemper Talk

The thought of a united front was echoed by Karl L. Brackett, president California State Association of Life Underwriters, who proffered the hand of cooperation in the interest of insurance as a whole. George Kemper, secretary-treasurer Casualty Insurance Association of California, substituting for J. R. McKinney, vice-president of the organization, also pointed to the work of the agents, picturing them "as a strong arm of the business in its important public relations work" and the

(CONTINUED ON PAGE 17)

Much Danger Seen in Direct Writing

C. C. Hewitt of Boston Comments on Practice Before Massachusetts Agents

FORCE RATE REDUCTIONS

Competition Brought on Orthodox Companies Tends to Undermine the Foundations of the Business

C. C. Hewitt of the Boston agency of Boit, Dalton, Church & Hamilton, who was formerly vice-president of the National Fire of Hartford, in his address before the annual meeting of the Massachusetts Association of Insurance Agents took up the question of direct writing. The direct writer, he said, a direct seller in other lines than insurance, is a nutcracker operating company and brokerage relations thus: His price is reduced by the cost of your service. True, he lets you make the public insurance conscious, set the price, do all the ground work, and then by a large newspaper advertisement or a three-cent stamp he lets it be known that the product of his "big, strong company, which has grown big and strong by the elimination of agents and brokers," can write the insurance at the regular price less your commission.

Force Rate Reductions

Direct writers, he said, bring about competition and force companies to reduce rates. As the total volume of the direct writers grows, Mr. Hewitt said, several things unfortunate for agents occur. First, buyers who had never considered it prudent to buy a contract of indemnity written by and only by the insurance company that is to pay under it, become callous. They become used to seeing it done, then they follow the leader. When an agent loses in Texas or Oregon or Iowa, Mr. Hewitt said, there has been an indirect but growing loss to every man whose income depends upon selling service with the policy.

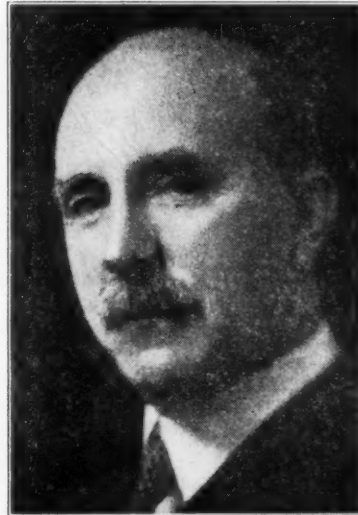
This economic condition, Mr. Hewitt said, ultimately forces a company to

(CONTINUED ON LAST PAGE)

SPEAKERS AT MASSACHUSETTS AGENTS' MEETING



F. J. DeCELLES, Boston
Massachusetts Commissioner



E. J. COLE, Fall River, Mass.
Former National President



C. C. HANNAH, Boston
Eastern Manager Fireman's Fund



FRED R. SMITH, Haverhill, Mass.
Chairman New England Board

Horner-Palmer Lunch Crowd Outnumbers Brooks' Turnout

NOT ALL INSURANCE, THOUGH

Democrats in Illinois Insurancewise Have Their Innings at Beef Steak Lunch—G. O. P. Had Chicken

The Democrats in Illinois, insurance-wise, had their innings at a luncheon rally in Chicago three days after the Republican insurance luncheon. The Republicans ate chicken and the Democrats had beef. The chicken eaters numbered about 600, whereas 1,300 turned out for the beef. However, not all of the beef eaters were insurance people, some being purely policyholders.

At the Republican chicken luncheon, the speaker was C. Wayland Brooks, Republican nominee for governor.

At the Democratic luncheon, the speakers were Governor Horner, who is standing for re-election; Insurance Director Palmer, and State's Attorney Courtney of Cook county.

The theme of the Republican was that the Democrats had cornered just about every premium dollar that was within political reach.

Democratic Luncheon Theme

The theme of the Democratic rally was that Henry Horner and Ernest Palmer had elevated insurance supervision in Illinois to first rank.

The only reference at the Democratic luncheon to the issue raised at the Republican luncheon was the statement of Mr. Courtney: "We have never let our office interfere with the getting of insurance business and we don't intend to."

Insurance people witnessed Mr. Palmer in a new role, that of an impassioned campaign speaker. He limited himself to two jokes and he made the welkin ring in behalf of Henry Horner.

The governor, who was the final speaker, noted the change in Mr. Palmer and remarked that this was the first political speech he had ever heard him make. It so happened that one of the stories that Mr. Palmer told had to do with an elephant sitting down on a bird's nest. Governor Horner remarked that Mr. Palmer needed some "priming" as a campaign orator. "He could just as well have used a donkey as an elephant in his story," the governor declared.

Roy L. Davis Presides

Roy L. Davis, head of the Horner for governor insurance campaign committee, presided at the beef steak luncheon. Among those at the head table were C. E. Nolan, insurance broker; A. E. McKeough, W. A. Alexander & Co., vice-president Chicago Life Underwriters Association; S. E. Moisan of Kankakee, secretary Illinois Association of Insurance Agents; Fred Bracken, insurance broker; Allan I. Wolff, past president National Association of Insurance Agents; E. B. Thurman, New England Mutual Life, Chicago; E. V. Mitchell, general counsel, Continental Casualty; Chase Smith, general counsel, Lumbermen's Mutual Casualty; Joseph Mills, Metropolitan Life; J. T. Spiker, treasurer Polish National Alliance; S. A. Kent, Prudential; A. J. Johannsen, Northwestern Mutual Life; T. J. Farrell, insurance broker; Ray Hartigan, Girard Life; Paul Lewin, Equitable Life of New York; A. W. Ladd, insurance broker; C. A. Fargo, Aetna Life; Lewis S. Degen, Mutual Life of New York; M. A. Zitzmann, Midland Mutual Life; G. H. Moloney, Hartford Accident, and P. J. Angsten, chairman Illinois industrial commission.

Mr. Davis declared that under the Horner administration confidence in the insurance business had been restored. The open door policy instead of the closed door was instituted in the insurance department. Mr. Palmer, he de-

Think of Hazard, Loss and Not Premium Cost

"When we first think of insurance, we think of premium cost. If instead we will think of hazard and loss; if we will endeavor to reduce hazards, reduce accidents, reduce liability, insurance premium cost will reflect accordingly."—Harold L. Fuess, president New York State School Boards Association.

clared, was given a free hand to operate in the interest of the people. Under previous administrations, he said, anyone having dealings with the insurance department had to get "legal advice" from a clique of Springfield lawyers.

Mr. Palmer declared that even the bitterest adversaries of the administration can't say anything against the insurance department. He declared that he did the job that the governor wanted done. His staff was selected for ability and knowledge, he declared. The Illinois department now has a standing among the other states. He said he has heard no criticism of the insurance department except from the "crooks that we have put out of business."

Mr. Angsten was introduced and took a bow. Mr. Courtney said that his office had reduced automobile thefts 90 percent in Cook county and automobile insurance theft rates have been reduced 64 percent. "We may come back at you a little later for a further reduction," he said.

He said the state's attorney obtained 23 convictions for arson. He said he is now giving attention to the fraudulent claim racket and he invited insurance people to cooperate in helping break this up.

Underweight Pugilist

Governor Horner said that when he took office he decided to give the best sort of administration so far as insurance was concerned. He looked around for the best administrative officer he could find. He said he selected a man without political character and declared, "I'm damned glad I did."

He brought down the house when he referred to Mr. Palmer as that "little underweight pugilist."

Governor Horner said that insurance affairs were in bad shape when he took office. There had been many company failures and people were discouraged from buying insurance. Something had to be done. People had to be reassured that no company could operate in the state without having ability and intention of carrying out its obligations.

The insurance department has not been a receptacle for political jobs, he said. He mentioned the life insurance investment law as being for the benefit of companies as well as assured, because it creates confidence in the companies. He said the broker's license law was passed in an attempt to put the selling of insurance on a professional plane.

Mortgage Moratorium

He said in 1933 he was urged to have passed a mortgage moratorium law. He said he realized that such a law would have been a great political gesture, but would have been of no practical value. Therefore he did not sponsor such a law, but asked the insurance companies to cooperate with the necessities of the situation. He said the response was splendid and every company gave mortgagors a chance to get on their feet.

He referred to the new law requiring that fraternal be sound and "serviceable along actuarial lines." He referred to the fact that the insurance department was divorced from the department of trade and commerce and made to stand on its own feet, "so it could be watched, encouraged and made to function."

He said that the certificate of title

Company Purchasing Agents Have Formed Organization

B. G. ALLEN IS THE PRESIDENT

New Association Hopes to Bring About More Coordination in Buying Supplies and Equipment

HARTFORD, Oct. 28.—An association of purchasing agents of insurance companies has been formed in New England, and it is expected that its membership will soon include purchasing agents of companies throughout the east. At an organization meeting held in Springfield, Mass., B. G. Allen of the Hartford Fire and Hartford Accident was made president; Edwin Johnson, Massachusetts Mutual Life, Springfield, vice-president; Fred Camp, Phoenix Mutual Life, Hartford, treasurer; W. B. Joyner, London & Lancashire Indemnity, Hartford, secretary. Members of the executive committee are C. M. Bell, Massachusetts Bonding, Boston, chairman; A. W. Johnson, State Mutual Life, Worcester, and Henry Gerrish, Hartford Steam Boiler, Hartford.

Object of the Organization

This organization is the outgrowth of many informal meetings of purchasing agents of companies, held over the past three years. In these conferences, the purchasing men have developed sufficiently valuable information and worked out cooperative plans which proved profitable to their companies and it was decided to form an organization. The object is to promote better office planning, expense control, purchasing and to bring about better understanding and fellowship as well as to encourage improvement of ethics in the purchasing profession. It has been found that unified action of the purchasing agents may often result in improved service and better relations between the insurance companies and the sources from which they buy supplies. Sound purchasing practices consistent with the position of the insurance companies themselves, are to be encouraged.

The by-laws call for six regular meetings during the year. These will be held in different cities in New England.

Members report that often there is not sufficient coordination between the planners in a company and the purchasing agents. Plans are sometimes made which must be greatly modified when costs are brought into the picture.

Some of the members are very enthusiastic about the possibilities of this organization and believe it can result in substantial service to the companies. The National Association of Purchasing Agents has not given special attention to the problems of insurance company purchasers.

Texas Adopts Unemployment Compensation Law; 17 in All

Enactment of an unemployment insurance law by Texas increases to 17 the number of states that have taken such action. Of these the law in Washington was declared unconstitutional, and it is expected a revised measure will be offered when the legislature meets. Rhode Island calls for a salary report from Jan. 1 to Oct. 31, with payment not later than Nov. 20. Utah grants 10 days from receipt of report within which payment be made, and a similar provision holds for Idaho.

law had been of great help in discouraging automobile thefts. He said Illinois has national standing in the fact that Sherman V. Coultas, state fire marshal, is president of the National Fire Marshals Association and Mr. Palmer is president of the National Association of Insurance Commissioners.

Two National Association Principles Are Emphasized

WILSON IN CALIFORNIA TALK

Discusses States' Rights and Mean Between Ultra-Modernism and Stand-Pat Attitude

SAN JOSE, CAL., Oct. 28.—Two outstanding principles of the National Association of Insurance Agents—states' rights and the golden mean between ultra-modernism and a stand-pat attitude, were stressed by W. Owen Wilson, national president, at the annual convention here of the California Association of Insurance Agents. Mr. Wilson also urged the advantages of compromise when this does not mean abandoning basic principles.

"There is no disgrace in compromise," he said, "no reason to apologize for it. To company representatives and agents my message is not to hold yourselves too proud to compromise, but rather to take pride in compromise when it offers the opportunity of harmonious advancement. It is exceedingly difficult for me to understand how company man or agent could see any ultimate advantage in a futile warfare based on individual prejudice or greed. If the stock insurance business cannot reconcile the interests of underwriter and producer, we may as well fold up our tents."

Mentions National Issues

Mr. Wilson mentioned two national issues in which California took leading part—the Boulder Dam surety bond commission controversy, and the bank agency storm whose focal point was in California. It is the function of the National association, he said, to handle a multitude of grievances, most of which are not publicized, but to make them sectional or national issues when the matter warrants.

Efforts toward company-agency conference, he said, will open the door for further advancement, and he believes a new era is ahead for stock insurance underwriting and production.

On the Pacific Coast, he said, the agents are especially fortunate in having direct contact with the Pacific Board, and are in position to solve most difficulties at home.

"Certain it is," Mr. Wilson said, "that we are blessed today with an abundance of manpower and leadership. We are not lacking in munitions of war, nor in the instrumentalities of peace. The goal for which we strive is simple—a more abundant life for ourselves and our associates and families; a closer unity with the companies we represent, and an increasingly comprehensive service to our clients. If we will do so, we can concentrate our forces and aim together at that mark."

He cited the sound progressiveness of the National association in the resolution adopted at the Pittsburgh annual convention, pledging the members to continued effort to make insurance adaptable to every legitimate public need. Mr. Wilson said that resolution represents the efforts of the National association to keep abreast of the times in dealings of members with the public, and at the same time not to embark too impetuously on new and untried methods.

Mayor Wilson's Tax Threat

PHILADELPHIA, Oct. 28.—Addressing the convention of the Pennsylvania Real Estate Association this morning, Mayor Wilson of Philadelphia said he would put through a four mill tax on mutual savings banks and insurance companies. He declared the tax would raise \$7,000,000. "Opponents say it'll only raise five million," he said. "If they're right, then I'll raise the tax to six mills and that'll give us the seven million."

GET THEM TO LOOK INTO THE FUTURE!

Tell clients who are considering cut-rate liability insurance to assume that they are defendants in a liability suit - then ask themselves which they would rather have:-

A cut-rate policy on which they have saved a few premium dollars?

OR

Insurance in a strong Stock company with a time tested record of service to policyholders and reputation for fair dealing?



PROVED BY THE ACID TEST OF TIME

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

Avoid Big Consequential Loss

KANSAS CITY, Oct. 28.—A unique solution to a difficult loss prevention problem was effected here this summer in the case of the Empire Storage & Ice Company, where at 4 a. m., July 29, an explosion demolished the refrigeration system.

Temperatures were ranging well above 110 degrees in Kansas City, and the problem of what to do to save the 52,000 cases of eggs, valued at \$400,000, and approximately \$100,000 worth of pro-

duce, including grape fruit, celery, potatoes, apples, spinach, etc., faced executives of the storage concern and adjusters. Of the total value of commodities stored, \$255,500 was insured directly by companies against consequential loss, and most of the remainder was insured similarly by the firms themselves which owned the eggs and produce stored in large quantities.

The methods of prevention of this consequential loss to the cold storage

products is of interest to insurance people.

F. N. Jacks, Underwriters Adjusting, and J. D. Sutherland, Western Adjuster, met after the loss with George Renault, chief engineer of the Empire.

The first plan suggested was to shift the eggs and produce to another cold storage warehouse. However, there were several objections. Unless drastic means were used, it would require from seven to eight days to get the eggs alone out of the Empire building due partly to slow elevators. Under the most favorable circumstances it would require two or three days, and by that time the temperatures in the refrigerating rooms

would have gone up, and the eggs, especially those moved last, would have been in danger of sweating. Another objection was the loss to the Empire of some of its customers.

The eggs were to be transferred in refrigerated trucks. Conrad Mann, president of Empire, asked how the trucks were refrigerated. By dry ice, was the answer. Then why not, Mr. Mann asked, refrigerate the whole plant with dry ice?

Dry ice began to move into the plant at three o'clock that afternoon. Three tons of dry ice were carried into the egg rooms and placed in the drip pans directly below the refrigeration coils. In addition, some dry ice was placed on two-inch pieces of wood along the floor. This work was all done by hand. Altogether, 126,831 pounds of dry ice were used.

A large oscillating fan was placed at the front of the room close to the ceiling, blowing across the dry ice toward the rear of the room. Half way between the front and rear another fan was placed, blowing the same way. At the rear a stationary aeroplane fan was set to blow the cold air and carbon dioxide gas back along the floor. An even distribution of cold air was made possible.

The only danger, adjusters became convinced, would be from the excessive accumulation of carbon dioxide gas. So in each room they placed an intake and exhaust pipe. This was very successful in controlling the carbon dioxide concentration.

Testing the Concentration

The carbon dioxide contents of the various rooms were taken by using an aspirator bottle, air tester and a 13 percent caustic solution.

The plant continued to operate as though nothing had occurred. The Empire's facilities were in no way crippled; withdrawals went on as usual, and new commodities for storage were received.

By working night and day, refrigeration equipment was rebuilt, motors re-wound and ice tanks used for temporary brine tanks, in order to restore the refrigeration service on the ninth day.

Due to the successful results obtained by the method, there has been no claim for consequential damage. The expense involved, compared with the value of the produce saved, was infinitesimal. The dry ice cost only \$3,200.

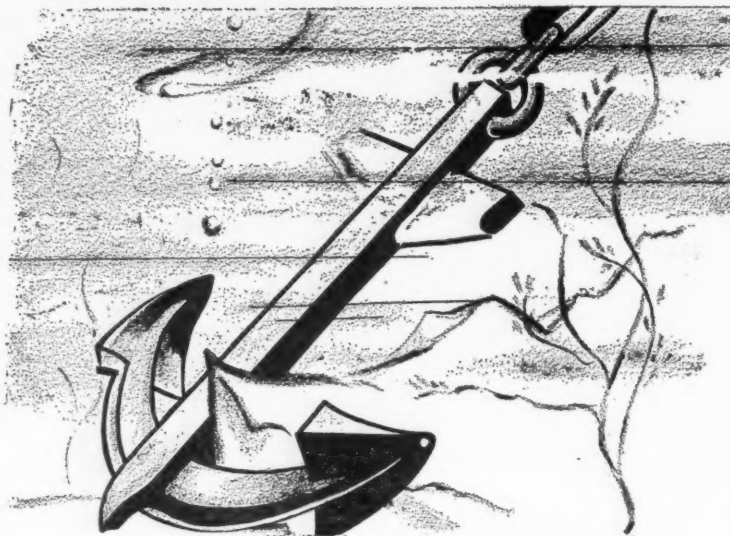
Automobile Conference in Call for Collision Data

Members of the National Automobile Underwriters Association have been asked, as an initial step in revising the method of determining collision premiums, to maintain a record on special tally sheets of risks written for double interest collision insurance on private passenger cars only, the information to be assembled by list price groups and by four age groups regardless of local territories involved.

The association previously sent instructions to members to code collision statistics for the fiscal year which began in September. Members also were asked to compile for the balance of the present statistical year, and paralleling the standard statistical call, collision statistics according to list price groupings shown in the manual, collecting and recording data until Dec. 31 and sending the information to headquarters as soon thereafter as possible. The companies also were called on to supply a record of all private passenger collision premium and loss items by list price groups.

It has been felt that material modifications in the method were difficult because the volume of collision business is relatively small and the conclusions drawn therefrom therefore might be unreliable. In the last two years, however, there was a heavy increase in volume of collision premiums. The association reports a growing demand from underwriters and insurance departments for greater accuracy in determining collision premiums and equitable application of them.

Security for American Property Owners Since 1841



Security

Cast Anchor!

From the time of the Ancient Mariner to the present day ocean liner ships have had to use anchors.

The **Security of New Haven**, with its New England background, and in keeping with its traditions has, through consistent policies and proven operations, demonstrated its value to an agent.

An anchor and an asset for any agency.

Do Business with a Strong American Company Operating Through Responsible Agents.

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NEW HAVEN, CONN.

1841
Security Insurance Company
OF NEW HAVEN, CONNECTICUT

WESTERN DEPT.
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The East and West
Insurance Company
OF NEW HAVEN, CONNECTICUT

PACIFIC DEPT.
SAN FRANCISCO, CAL.

The Connecticut
Indemnity Company
NEW HAVEN, CONNECTICUT

★ 1636 ★ RHODE ISLAND TERCENTENARY JUBILEE ★ 1936 ★



★ 1799 ★ PROVIDENCE WASHINGTON'S 137TH ANNIVERSARY ★ 1936 ★

Home Office Building
Providence Washington
Insurance Company

Chamber of Commerce Building
(Dating from Revolutionary War)

Providence County Court House

THE Providence Washington has always been associated with the history of the city of Providence and the company has grown as the city itself has—conservatively, solidly and steadily. Insurance men, when they think of the city of Providence, naturally think of the Providence Washington, not only because of the name, but because it is an outstanding institution of Providence.

Today the company is operating through more than 5,000 agents in every state in the Union, in all of the United States territories except Puerto Rico and the Philippines, in Canada, and has agencies in the principal ports and countries of the world. It is a strong institution that stands high in the insurance world and has served with conspicuous honor through all the conflagrations and other difficulties experienced in this country.

If you are interested in a company of this type write for agency information.

These companies write the following classes of Insurance:

FIRE—TORNADO—OCEAN and INLAND MARINE and their allied lines—AUTOMOBILE—
FIRE, THEFT and COLLISION

PROVIDENCE WASHINGTON
INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND
INCORPORATED 1799 ★ CAPITAL \$3,000,000.00

ANCHOR INSURANCE COMPANY
Incorporated 1928 ★ PROVIDENCE, RHODE ISLAND ★ Capital \$1,000,000.00

AS SEEN FROM CHICAGO

STIMULUS OF BROOKS' SPEECH

Gail Reed, secretary of the Republican insurance committee of Illinois, announces that the number of pledge cards received has greatly increased since the committee mailed out copies of the speech of C. Wayland Brooks, Republican nominee for governor, before the Republican insurance luncheon. The pledge cards have been arriving at

headquarters at the rate of 500 a day, he states.

Mr. Reed's organization was much interested in the speech of Governor Horner before the Democratic insurance luncheon a few days after the Republicans had their meeting. Mr. Brooks, in his speech, issued a challenge to the governor to explain the manner in which insurance has been

handled on risks which state officials have been in a position to influence. The Republicans placed much emphasis on the fact that Governor Horner, in his speech, ignored that question entirely and devoted himself to a discussion of the administration of the insurance department.

* * *

MOORE 50 YEARS IN BUSINESS

Frederick W. Moore, senior executive and partner of Moore, Case, Lyman & Hubbard, Chicago, Dec. 1 will attain his 50th year with that organization, which was established in 1859. The first week in December has been designated "F. W.

Moore Anniversary Week," when a special production drive will be carried on. Mr. Moore, a son of James H. Moore, one of the founders, and senior partner since his father's death, is an outstanding figure in insurance in the middle west. He started with the original firm, Moore & Janes, in 1886, and was admitted to the partnership after eight years. He has controlled a great many large lines for years. In such spare time as he has, farming is his avocation and he spends his vacation principally on his farm near Hinsdale.

* * *

LIFE MEMBERS COMMITTEE

President W. R. Townley of the Life Members Society of the Northwest Association has appointed as members of the executive committee W. C. Leach, Minneapolis F. & M.; R. A. Buckman, Royal, Chicago; C. J. Munn, Cook County Loss Adjustment Bureau, Chicago; W. J. Tippery, assistant manager Aetna Fire; O. E. Green, Indianapolis. Providence Washington; C. F. Thomas, Western Underwriters Association; Roy L. Nicholson, Milwaukee, Michigan F. & M.; W. P. Robertson, general manager North America; A. F. Powrie, western manager Fire Association, B. L. Hewett, Lansing, Mich., Boston and Old Colony.

* * *

NEW CLUB BOOSTS COURTNEY

The Courtney Insurance Club has been formed in Chicago with Arthur L. Ladd as chairman. Mr. Ladd formerly for many years was an adjuster for the companies and for some time has been a broker. The avowed purpose of the club is to elect State's Attorney Courtney because of his fine record in combating crime.

* * *

HANIFIN & CO. CLASS 1 MEMBER

R. E. Hanifin & Co., 1166 Insurance Exchange, Chicago, has been elected a class 1 member by the Chicago Board, representing the Atlas Assurance, London & Provincial, Quaker City, Western Fire, Standard Surety and Universal Indemnity. R. E. Hanifin and Edward M. Gaughan, members of the agency, have been in the insurance business in Chicago more than 20 years.

* * *

MANY WILL CLOSE ELECTION DAY

Paul C. Lang, assistant manager of the Cook County Loss Adjustment Bureau, who is an active political worker in his home town of Wilmette, Ill., has been busy this week contacting various insurance and other organizations, seeking to induce them to urge their members to close their offices next Tuesday, election day. He believes that there is an emergency this year insofar as the election machinery in Chicago is concerned. There is an unusually heavy registration and this is the first election in which the permanent registration law will be put to a test. He is convinced that in many precincts there will be a clogging of the machinery at the congested hours and that if the procedure produces angularities there will be a reaction against the permanent registration law. Should a large number of citizens be unable to vote because of lack of time, he declares, unscrupulous persons will claim that the situation was brought about by the permanent registration law.

Mr. Lang induced Charles F. Thomas, manager of the Western Underwriters Association, to get in touch with the heads of the various western departments of the fire companies. Most of the important offices have agreed to close up completely Tuesday, while others will give the employees latitude in time of arrival at the office.

Wood County Agents Meet

MARSHFIELD, WIS., Oct. 28.—The Wood County Association of Insurance Underwriters held its monthly meeting here. Sixteen local agents from various parts of the county attended and discussed various underwriting problems. Officers of the county unit are J. E. Ketchum, Marshfield, president; Lillie Gebert, Milladore, vice-president, and Robert M. Daly, Wisconsin Rapids, secretary-treasurer.



PHOTO BY PHILIP D. GENDREAU

This Way Doesn't Work!

A man who owns property or operates a business without complete insurance will find out, sooner or later, that he's been spending money he should invest in insurance—that he's been burning the candle at both ends.

An insurance company that isn't careful to invest only in the soundest securities, maintain adequate reserves, and underwrite carefully enough to hold those reserves, is taking an unwarranted risk for its agents and policyholders, as well as itself. Trying

to pay five and six out of ten, or not giving a worthy service to agents and policyholders can only bring disaster—and is burning the candle at both ends.

An agent who runs his business without concerning himself with all the insurable property and liability hazards of his clients is courting a sad end, too. A wise agent will represent only sound, progressive companies like these so he may never awake to learn that he, too, has been burning the candle at both ends.

The
LONDON ASSURANCE

The
MANHATTAN
Fire and Marine Insurance Company

The
UNION FIRE
Accident and General Insurance Company

Ninety Nine John Street New York

NORWICH UNION

**SUBSTANTIAL
past performance
progressive management
and demonstrated
service are factors
which commend the
NORWICH UNION
to successful agents**

**NORWICH UNION
FIRE INSURANCE SOCIETY, LTD.**

Hart Darlington, Manager

**Eagle Fire Company
of NEW YORK**

Incorporated 1806

Hart Darlington, President

The Oldest New York Insurance Company

**NORWICH UNION
INDEMNITY COMPANY**

Hart Darlington, President

75 Maiden Lane, New York

In NORWICH UNION there is strength

COMPANIES



The Winning Way

A good Prospect to able Agent
to strong Company.



PHILADELPHIA FIRE *and* MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.
CHICAGO OFFICE: 209 W. Jackson Boulevard
SAN FRANCISCO: (Fire Office—425 Montgomery St.
Marine Office—231 Sansome St.)



Royal-Liverpool Rally in Chicago Draws 400 Agents

E. W. HOTCHKIN IN CHARGE

Producers Urged by J. L. Erhardt to
Take "Sane" Attitude Towards
Auto Finance Business

Over 400 agents from Illinois, Indiana and Wisconsin attended the regional agency production meeting of the Royal-Liverpool groups at Chicago under the chairmanship of E. W. Hotchkin, of New York, western manager. This meeting was the third of a series of four such conferences for which traveled from the home office with Mr. Hotchkin, H. C. Conick, manager special service department; Oscar Beling, special representative; J. L. Erhardt, automobile secretary; Clarke Smith, assistant superintendent special service department; W. L. Falk, brokerage superintendent; J. P. Mayer, superintendent inland marine department, and J. R. Wissman and E. W. Hill, western department agency superintendents.

Six talks, each followed by a discussion from the floor, and a luncheon made up the day's program. Mr. Conick, speaking on agency account analysis, outlined the services which the agency department can give the agents and urged them to make more liberal use of them. Mr. Beling, who has been devoting his efforts to putting agencies in proper shape, spoke on accounting and keeping of records. He urged to systematize, but to do so sanely and not to make a system too cumbersome and too expensive to be practical. One interesting point which he brought out is that less than 50 percent of the agents bond their employees, in spite of the innumerable drives which have been made to sell fidelity protection to the public.

Finance Business Discussed

Mr. Erhardt touched on the advantages of the comprehensive policy and then urged the agents to take a sane view of the finance business. The bulk of it, he stated, cannot be regained by agents, although results can be gotten by urging banks to finance automobile sales. However, finance companies have aided agents, first by making automobiles available to the public and then by getting owners used to carrying insurance. The large increase in automobile premiums this year, he stated, is due to cars sold on the finance plan last year becoming paid for and agents writing the insurance. Collision premiums are also increasing, due to the fact that finance companies are now insisting that this protection be carried. Mr. Smith commented on the various side lines available and suggested prospects for each. Following that he explained the new use and occupancy canvass which the company has just sent its agents, stating that it was based on successful campaigns actually conducted by agents.

After lunch Mr. Falk explained the activities of the Business Development Office and then outlined some of the arguments used against mutuals and reciprocals. He maintained that the only ratio in determining the solvency of a company is that of premiums written to unearned premium reserve plus surplus to policyholders. On this basis, he compared the standing of the Royal-Liverpool groups with several mutuals. He also dissected the financial reports of the factory mutuals and a reciprocal group.

Mr. Mayer, the final speaker of the day, demonstrated the flexibility of inland marine coverages and urged the agents to become better acquainted with them. He particularly recommended the personal property floater as being really popular with the public. The day before the agency meeting, the annual roundup of fieldmen was held, with 50 special agents from Illinois, Indiana, Wisconsin, Kansas, Missouri and Arkansas in attendance.

Hamilton Refers to James Roosevelt and Insurance

James Roosevelt, son of the President and member of the Boston insurance firm of Roosevelt & Sargent, drew an attack from John Hamilton, chairman of the Republican national committee, which referred to the junior Roosevelt's insurance activities.

James Roosevelt had previously come out with an attack on the administration of the school system in Kansas under Governor Landon.

"I am not surprised," the Hamilton attack stated, "at James Roosevelt indulging in misrepresentation. I can understand his distress at having his father go out of power. Perhaps he realizes that if his father were not President, and if it were not for the extraordinary power to annoy, persecute and overcharge corporations and individuals which is in the hands of the bureau of internal revenue under President Roosevelt, to say nothing of the new deal's smearing committees, Mr. James Roosevelt would quickly lose the prestige of being No. 1 insurance salesman of America."

The New York "Sun" printed a list purporting to be of clients of Roosevelt & Sargent, as follows:

National Distillers Products Corporation, Associated Gas & Electric Co., Armour & Co., National Shawmut Bank of Boston, First National Bank of Boston, Eastern Steamship Co., Pennsylvania Dixie Cement Co., Port of New York Authority, Ritz-Carlton Hotel, New England Power Association, Roxy Theater, Waldorf-Astoria Hotel, Boston Braves baseball team, Stone & Webster Co., Detroit Edison Co., Ames Baldwin Wyoming Shovel Co., Pressed Car Corporation, Slater Mills of Webster, Mass., insurance on cotton shipped to China under \$50,000,000 loan by R. F. C., new Federal Office Building in New York.

Insurance Men to Confer on U. S. Crop Cover Nov. 5

The U. S. department of agriculture announces that the President's committee on crop insurance has invited certain representatives of the insurance business to attend an "informal" conference Nov. 5. There will be a conference with representatives of those engaged in warehousing farm products, Nov. 6 and a conference with representatives of farm organizations Nov. 7.

The President has requested the committee to submit a report in December and the department of agriculture states the committee is moving forward with its activities as rapidly as possible.

The committee discussed the subject with leaders of several national farm organizations and at that time decision was reached to have a larger conference of farm organization representatives Nov. 7.

Membership of Committee

The President's committee consists of Henry Wallace, secretary of agriculture, chairman; Dr. A. G. Black, chief of the bureau of agricultural economics, vice-chairman; W. C. Taylor, assistant secretary of treasury; E. G. Draper, assistant secretary of commerce; and H. R. Tolley, administrator of the AAA.

Officials at Washington in charge of the project state that not all the invitations to insurance people have been sent out. The full list of invitations will not have been sent until later this week.

R. M. Bissell, president Hartford, B. M. Culver, president America Fore, and Wilfred Kurth, president Home, are among those invited to attend the crop insurance conference Nov. 5.

W. F. Cornelius, 61, who had been engaged in local agency work at Commerce, Tex., since 1914, died of apoplexy.

Great American Insurance Company New York

INCORPORATED - 1872

W. H. KOOP, President



OLD FASHIONS AND NEW

We can properly be proud of being old fashioned

In the soundness of the company's underwriting policy;
In its friendly consideration for agents and their needs;
In its adherence to every rule of correct practice;
In its unquestioned financial standing.

Yet feel an even greater measure of pride in that

The company's well proven policies have always been
so easily adapted to the requirements of the day.

Today's business needs are not those of a few years ago

NEW IDEAS must develop; new methods are needed,
but the basic principle of fair dealing with agents and
policyholders can never change.

WESTERN DEPARTMENT

310 South Michigan Avenue :: CHICAGO, ILL.

C. R. STREET, Vice President G. D. GREGORY, Secretary

NEWS OF THE COMPANIES

Increase Paid-Up Capital to the Authorized Limit

Fidelity-Phenix has declared a stock dividend to bring its capital to the even figure of \$3,750,000. At present, the capital is \$3,464,824.84. The stock dividend to bring the capital to the new figure is 8.2306 percent. It is payable Dec. 28 to stock of record Dec. 8. The new move will bring the capital paid up to the full amount of the authorized capital. In 1932, authorized capital of Fidelity-Phenix was reduced from \$15,000,000 to \$3,750,000 and outstanding capital from \$13,859,299 to \$3,464,824.84 by changing the par value from \$10 to \$2.50.

Fractional share certificates will be issued by Fidelity-Phenix. The right of exchange of fractional share certificates shall terminate two years after the date of the distribution of the stock dividend.

Will Retire from Country

It is understood that the New India of Bombay, which has been operating

on this side for reinsurance with Sumner Ballard of New York City as manager, will retire from the country and will liquidate its reinsurance business. Mr. Ballard recently resigned his position.

Pacific National Fire Is Featured in a Broadside

One of the largest and most unusual direct-mail advertising operations ever conducted by a far western financial organization—and one of exceptional interest to insurance men—was the recent mailing by Transamerica Corporation of a broadside or mailing piece to all of its 220,000 stockholders. The message of this impressive folder featured the Pacific National Fire, a Transamerica subsidiary. There is also included a high tribute to Pacific National agents.

The folder, measuring 9½ by 5 inches folded, opens to 15 by 21 inches.

Here are some figures indicative of the size of this undertaking: Nearly six

tons of paper and two and one-half tons of ink were required for the printing. A large two-color press (printing two colors plus tints of both—or four color-tones in one operation) required 160 hours (20 eight-hour working days) actual running time to complete the printing. This time, of course, does not include many hours' preparation, "make-ready," cleaning, etc., nor the time required for folding, "stuffing" and sealing in the bindery.

National Reserve Capital Up

At a meeting of the stockholders of the National Reserve, running mate of the Dubuque Fire & Marine, held in Chicago this week, the capital was increased from \$250,000 to \$500,000. This change was made by increasing the par value of the stock from \$50 to \$100 and in this way transferring \$250,000 from surplus to capital. Under this rearrangement the company has capital of \$500,000 and surplus in excess of \$600,000.

In 1924 the National Reserve increased its capital to \$500,000 at which figure it remained until 1933 when it was decreased to \$250,000 by reducing the par value from \$100 to \$50. The home office of the National Reserve is in Chicago, but the executive offices are in Dubuque.

Northern of Moscow Ohio Order

The court of appeals at Columbus, O., has ordered the Ohio department to raise approximately \$20,000 from the sale of securities belonging to the Northern of Moscow and hold it for distribution later. Attorneys' fees in the case had been allowed by the common pleas court in this amount, but payment to the attorneys has been held up by the order of the court of appeals.

Plan Virginia F. & M. Increase

Charter of the Virginia Fire & Marine has been amended, increasing its maximum authorized capital from \$500,000 to \$1,000,000 and minimum from \$60,000 to \$500,000. Directors meet this week to consider a proposal to increase the capital to \$1,000,000 by the declaration of a stock dividend of \$500,000 from the surplus of the company, which totals \$1,600,000. The company now has outstanding 20,000 shares of stock of \$25 par value. If the proposed plan goes through, the number of shares would be increased to 40,000.

Mutual Engineers Elect

The Association of Mutual Fire Insurance Engineers at its annual meeting in Columbus, O., elected W. H. Rodda, Washington, D. C., president; H. C. Hubbard, Columbus, first vice-president; W. H. Bowman, Minneapolis, second vice-president; C. M. Rowley, Chicago, secretary and treasurer. About 50 attended the meeting and 12 new members were received. Among the topics discussed at the convention were appraisals, hazards in bulk oil stations, cooperation between company engineers and fire departments, loss possibility in fireproof buildings, hazards of electric wiring, motion picture theaters, hazards in hatcheries, inspection of dwellings, investigation of questionable fires, and desirability of unprotected mercantiles and common causes of loss in this class. A demonstration of causes of various types of fires and a demonstration of fire department hydraulics were given. The place for the next meeting was not chosen.

Asheville Board Nominates

Gilliland Stikeleather, president Asheville, N. C., Fire & Casualty Insurance Association, was nominated for reelection and A. G. Goodman for vice-president. The annual meeting will occur next month.

The Equity Fire of Kansas City has applied for entry to California.

NEW YORK NEWS

DANIEL GORDON RETIRES

Announcement is made that Daniel F. Gordon has resigned as executive vice-president of the New York Board. He plans to travel. He has been with the New York Board since 1930. Before that he was connected with the New York department from 1891, except for a few years during which he was connected with the Sumner Ballard group of fire reinsurance companies. In the department he was chief examiner of fire companies and served for a time as acting first deputy.

Mr. Gordon is credited with having saved about \$1,000,000 in the last five years in the cost of operating the New York Board. This enabled the general assessment upon members to be reduced.

* * *

PROMOTE JUDGE BLEAKLEY'S CAUSE

Recalling the advocacy by Governor Lehman last year of a monopolistic state fund for workmen's compensation insurance and "of other measures that would have worked a hardship upon producers and companies alike," a non-partisan committee has been formed by a group of insurance men of the state to further the gubernatorial candidacy of Judge W. F. Bleakley. Judge Bleakley is on record as holding that so long as steps are taken to insure proper management and regulation of insurance companies, he would "oppose extending the state participation in the insurance business, either in competition with private companies or by vesting the sole power to write such insurance in the state itself." Officers of the association are: Chairman, C. Otis, New York City; vice-chairmen, J. A. Sharp, Rochester; J. L. Tiernon, Buffalo, and G. G. Smith, Binghamton; treasurer, H. V. Hoden, New York City; secretary, W. R. Ehrmanntraut, New York City.

* * *

NAMED METROPOLITAN ADJUSTER

To fill the vacancy created by the appointment of J. W. Buttikofer as manager of the metropolitan department of the all-risks and inland marine office of the Commercial Union group at 123 William street, New York City, Manager Koeckert has appointed John H. Shuttleton as metropolitan adjuster of the all-risks and inland marine department. He is an adjuster of considerable experience, having served a term of eight years in the loss department of the Home, and was similarly employed in the office of the late J. J. Windle for nine years. In February, 1935, Mr. Shuttleton became associated with the adjusting firm of Dargan & Co.

F. D. Huber, who has been superintendent of claims of the automobile department for the Northwestern National, has been appointed assistant department manager, succeeding the late Frank Klein. D. Z. Reinertsen, formerly an automobile claims examiner, has been promoted to superintendent of claims.

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Field position with Fire Insurance Company in Wisconsin by experienced fire insurance underwriter. Good local connections.

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WANTED

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ADDRESS D-83, NATIONAL UNDERWRITER



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TWIN CITY FIRE
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MINNEAPOLIS

MINNESOTA

JOHN H. GRIFFIN
PRESIDENT - MANAGER

NEWS OF FIELD MEN

J. C. Qualmann Makes Change

Prominent Wisconsin State Agent of Queen Takes Phoenix of Hartford Post in Same State

J. C. Qualmann, Wisconsin state agent for the Queen and Newark, who is one of the best known men in the field in that state, has joined the Phoenix of Hartford as Wisconsin state



J. C. QUALMANN

agent, taking the place of Leo B. Menner, who has resigned. Mr. Qualmann has been Wisconsin state agent for the Queen for about 12 years. Previously he was special agent for that company in Ohio for two years and prior to that was in the old western department headquarters of the Queen in Chicago. He started in the business with the Rockwood-Badgerow Company of Chicago (now the Rockwood Company) and then was connected with the Western Sprinkled Risk Association for a time before making his connection with the Queen. He is a past most loyal gander of the Wisconsin Blue Goose home nest. His new headquarters will be at 238 West Wisconsin avenue, Milwaukee.

Sunflower Puddle Changes

Due to the resignation of Croaker George M. Montgomery of the Sunflower (Wichita) Blue Goose puddle, other men in line have been advanced. George Steeples, Home, becomes croaker; Lloyd Greer, Royal, bouncer; B. J. Weldon, Kansas Inspection Bureau, big toad, and R. B. Lathan, North America, pollywog.

The puddle is holding its first ladies night of the year Oct. 31 with a Hal-low'e'en dance and bridge. Plans are under way to form a ladies auxiliary. Mrs. William Ehret, Mrs. Michael Butler and Mrs. E. B. Fergus form the organization committee.

Tennessee Blue Goose Rally

The Tennessee Blue Goose will hold a membership splash the afternoon of Nov. 2 and there will be a stag smoker in the evening. It will be held at Clarendon Ions' camp on the Cumberland river. Paul Breen is chairman of the membership committee. A barbecue will be in order.

Mountain Club Elects

The Mountain Field Club at its annual meeting in Manchester, N. H., elected A. C. Knox, Phoenix of Hartford, president; R. W. Bradish, Providence Washington, vice-president; Frank Mills, Travelers Fire, secretary-treasurer, and G. E. Eise, Northern

Assurance, a member of the executive committee. George Carter of Dun & Bradstreet spoke on the causes of business failures.

South Dakota Activities

E. H. Partch, secretary South Dakota Fire Prevention Association, gave his report of the inspection of Brookings and Flandreau, at the meeting, showing splendid cooperation all along the line. Carl V. Gibbs, president, made a short talk. Harry K. Rogers, Western Actuarial Bureau, was the main speaker in the evening.

Assistant Manager R. G. Osgood of the North America western department has been through South Dakota making agency visits. During his trip he took advantage of the good hunting that was available during the pheasant season. He was able to bag his limit.

Goes with Emery & Kaufman

S. D. Hanesworth has become a special agent for Emery & Kaufman, and will travel Louisiana and Mississippi. He formerly represented the Hudson and Svea in that territory.

Iowa Blue Goose Stag Party

The annual stag party of the Iowa Blue Goose was held in Fort Dodge, Ia., Oct. 27. N. P. McGovern, most loyal gander, presided.

Kansas Inspections Planned

Arkansas City is to be inspected by the Kansas Fire Prevention Association Jan. 20. W. F. Ehret, Wichita, America Fore, is contact man for the city. Agent John Quaid, secretary of the Junior Chamber of Commerce, and Agent Ralph Oldroyd, chairman of the fire prevention committee of the Senior Chamber of Commerce, cooperated in making the arrangements. H. K. Rogers, Western Actuarial Bureau, Chicago, will address a joint meeting of civic clubs and chamber of commerce organizations.

Fort Scott will be inspected Nov. 19. J. Burr Taylor of St. Louis, Western Actuarial Bureau, is the speaker.

Ducournau to Corroon & Reynolds

L. P. Ducournau, for many years with the Automobile of Hartford in Louisiana, has been appointed special agent for Corroon & Reynolds with headquarters in the Canal Bank building, New Orleans. He succeeds John P. Desmarais, who has taken over the Texas field for the same group, with headquarters in Houston.

Blue Goose Speaking Class

Every Monday afternoon at 5:30, the Heart of America Blue Goose, Kansas City, is sponsoring a class in public speaking for field men interested in improving their appearance before town inspection and other meetings over the state.

Andrew Nelson, New York Underwriters; T. W. Caldwell, Home of New York, and J. C. Hupp, Security Fire, are in charge of the activity.

North Carolina State Agent Dies

F. H. Moran, North Carolina state agent of the New Hampshire, died at Raleigh this week following a brief illness. He was widely known in insurance circles throughout the state.

Town Inspections Planned

Plans for several town inspections were laid by the executive committee of the Illinois Fire Prevention Association at a meeting in Chicago, the season to start Nov. 12 at Waukegan. H. K. Rogers, Western Actuarial Bureau, will speak and put on his fire clown act,

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there being a dinner in which the chamber of commerce and other civic organizations will take part. Inspections tentatively have been scheduled for Streator, Canton, Jacksonville and Galesburg, dates to be set later. James P. Jana of the Hanover at Chicago is president.

Dauwalter Talks in San Francisco

SAN FRANCISCO, Oct. 28.—In his talk to the San Francisco Blue Goose, F. S. Dauwalter, manager Business Development Office, commended the plans of the field men of central and northern California, with whom he had met earlier in the day, to establish a public speaking class within their ranks to fit them better to present properly the merits of their "wares" to the insuring public. H. B. Leuty, Vancouver, most loyal grand gander, spoke briefly on the international aspects of the Blue Goose and the fellowship which it engenders.

Jinks Day at Sacramento

The Sacramento Blue Goose piddle is planning an elaborate ceremonial and entertainment on Nov. 13, which has been designated as "jinks day." Following a day of golf, the ceremonial and "plucking of goslings" will take place after which there is to be a dinner and dance at the Del Paso Country Club.

A. L. LaRue, Indiana state agent of the General of Seattle group, has moved his office from his home in Indianapolis to 309A-130 East Washington building.

J. V. Parker, Rate Making Genius, Is Dead at 63

(CONTINUED FROM PAGE 3)

and coordinated the work through the instrumentality of the Western Actuarial Bureau. He provided a means whereby the various rating bureau executives could discuss and receive information regarding their common problems. In the last 15 years there have been but few progressive ideas and changes in rates and practices which Mr. Parker had not had an important part in developing.

Mr. Parker was decidedly progressive. He championed advances in rate making, practices and coverages very frequently long before most company executives were prepared to accept the new proposition. He was a man of very firm convictions and stood up for them against formidable opposition. He would fight lustily for what he believed to be right and he always enjoyed the respect and confidence of those who differed with him as well as those who agreed with him.

Stabilizing Influence

Mr. Parker's work through the Western Actuarial Bureau has been a stabilizing influence on the business in the middle west. In later years, Mr. Parker was particularly active in attempting to harmonize practices in the middle west with those in other jurisdictions. He had an exceptionally large acquaintance among insurance people of all types—company men, rating bureau people, agents and brokers and those on the staff of insurance departments.

Mr. Parker was responsible for the founding of the fire protection engineering course at Armour Institute of Technology in Chicago, which has graduated so many of the younger generation of skilled fire insurance men. He had a keen interest in young men and followed the careers of the "fire protecs" closely. He exhibited great enthusiasm in speaking of those young men who are doing particularly well in the business. He served as secretary of the Subscribers Actuarial Committee since it was organized in 1915.

Mr. Parker's widow survives and there are three sons—J. V. Parker, Jr., who was formerly connected with the Wisconsin rating bureau and is now with the Travelers Fire in Hartford; Robert B. Parker, who is connected with the Missouri Inspection Bureau at St. Louis, and Charles Parker of Evanston.

Direct Writing Is Attacked in East

(CONTINUED FROM PAGE 3)

executive committee reported back to the local association. The general purpose is to be set forth in a brief and sent out to members.

Mr. Hewitt's plan ties in with the probability that the Massachusetts association will employ a full-time paid secretary, who, if he is to operate successfully, Mr. Hewitt said, must have an issue important enough to unify all producers. Next year the executive committee will submit plans for a full time paid secretary, decision being made through approval of a report submitted by E. J. Cole.

Mr. Hewitt did not mention the word "mutuals," but when questioned by J. J. Madden, Brockton, and A. J. Granfield, Chicopee, he said he referred to all kinds of direct writing. There was sharp criticism of direct writing of automobile business through finance companies. The debate indicated the subject had received attention and as soon as more work had been done among local boards to prepare the way, definite action would be considered.

Declined Risk Question

The agents' position in the compulsory automobile insurance difficulties was uppermost in all minds, there being keen speculation as to what is to be done with declined risks. The agents would like to know whether some plan could not be evolved which would remove the odium attaching to them through rejecting many applications for insurance, particularly those received from drivers regarded by agents as satisfactory risks. The agents denounced companies for refusing to write extra territorial coverage on risks which they are required to accept by the state appeal board. Then, too, there have been rumors that the commission on automobile business is to be cut.

Some consideration was given last year to the pool idea for taking care of declined risks, but necessity for final decision did not arise and whether agents and companies would find serious objection to the plan was not disclosed.

Adopt Strong Resolution

The members adopted a resolution which stated cancellation by companies of policies covering compulsory automobile insurance had increased at an alarming rate, the reasons for cancellation of the great majority of these policies not being sufficient for justification before the appeal board, resulting in the reinstatement of the statutory coverage only, leaving the assured without extra territorial, property damage or other coverages, and also branding him as an undesirable risk. This action was termed "unfriendly and unfair," not granting the assured proper hearing and working a hardship on agents. The resolution called upon companies seriously to consider the practice and put the association on record as believing that whenever such canceled policies are reinstated without hearing, the policy shall be reinstated to cover as before cancellation and the reinstatement be given the same publicity as to the other companies as was the cancellation.

Decide on Grievance Action

Little or no discussion took place on the subject of adequacy of rates under compulsory automobile insurance, the debate being limited at the suggestion of C. F. J. Harrington, O'Brien-Russell, Boston. At his suggestion it was decided individual cases and grievances be brought before the executive committee

for action where evidence and conditions seem to warrant it.

Copies of rules to be adopted by local boards for clearing up what agents regard as unfair competition of branch offices, are to be sent out to all local boards, it was decided after hearing the report of E. J. Cole on rules designed to incorporate necessary standards in local board declarations. One rule would certify that maximum expense of a branch office does not and will not exceed compensation to agents, members of the board; another defines the kind of a production office which would violate the agreement.

May Postpone Qualifications

F. R. Smith, chairman special committee on an agents qualification law, reported that 1936 was not a favorable year for promoting the legislation in Massachusetts. The report favored a very strong qualification law. Formal action was taken to consider the standard fire contract, the executive committee being instructed to specify exact changes deemed desirable. Mr. Cole reported an Eastern Underwriters' Association conference committee to meet with agents would provide for orderly hearings on problems of agents and companies in the 11 states of the E.U.A. territory, that the E.U.A. conference committee was the result of ten years' effort by the agency organization.

DeCelles and Others Talk

Formal addresses were delivered by Commissioner DeCelles of Massachusetts, Charles C. Hannah, manager, eastern department Fireman's Fund, Boston; F. L. Greeno, Rochester; J. W. Downs, counsel Insurance Federation of Massachusetts, and Fred W. Doremus, secretary of the American of Newark. The fear expressed by Mr. DeCelles that Massachusetts faces the threat of a state fund for automobile insurance occupied first place.

On the subject of a state monopolistic fund to write automobile insurance a constitutional issue arises, the Massachusetts supreme court having so ruled. Commissioner DeCelles did not mention a monopolistic state fund but only the possible creation of a state fund if necessary to take care of declined risks.

Monopolistic Compensation Bill

J. W. Downs, counsel Massachusetts Federation, said a supreme effort would be made in 1937 by the Massachusetts branch of the American Federation of Labor to obtain a state monopolistic workmen's compensation insurance fund. He was confident the bill could be defeated by united action.

Business getting ideas from the Business Development Office were presented by Fred W. Doremus, secretary of the American of Newark. A suggestion for using the purchasing power idea effectively when local agents are combating direct writing companies was set forth by Ralph Hinkley, chairman of the business development committee for Massachusetts. He said it was usually a mistake to threaten loss of purchases by those in the insurance business when seeking to hold a merchant's business against the direct writer, but the merchant would respond to the idea that when a loss occurred and the insurance was carried by a direct writer, the salaried employee would represent no purchasing power in the eyes of his company, but agents are in strategic position to act as arbiters between assured and companies, representing purchasing power in the shape of large premiums.

Greeno Makes Suggestion

F. L. Greeno said he frequently made use of the fact in his community that he was well known to agents throughout the country by pointing out that he had personal friends everywhere who would be glad to give his assured something more than routine attention.

Prevalence of mixed agencies in New England seemed to give a kind of New

England endorsement to this practice, he said. He could not understand how an agent might consistently get excited about a 2½ percent reduction in commissions from stock companies when he seemed ready and willing to walk out of his office and write for a carrier at a rate which meant a 25 percent reduction in commissions.

Company-agency issues were discussed frankly at the get-together dinner by Mr. Hannah in an address that was a well tempered review of the issues and problems, interspersed with personal opinion about them.

N. Y. Course to Have National Effect

(CONTINUED FROM PAGE 5)

ticularly if such action would be agreeable to Superintendent Pink.

Upon motion of President W. H. Koop, of the Great American, the following resolution instead of that submitted by the executive committee was adopted:

"Resolved: That the officers and committees of said New York Fire Insurance Exchange be and they hereby are directed to take whatever steps are necessary within the scope of the agreement and the rules and regulations of the Exchange to assure full and complete compliance with the said pledge (dealing with commissions) in letter and in spirit."

The suggested amendment to the agreement that agency appointments be not permitted to function until approved by the executive committee was defeated, as was generally anticipated.

Meiss Holds Bank Loan on Autos Is Best Financing

NEW YORK, Oct. 28.—Automobile owners now can secure better insurance coverage on cars individually financed through commercial banks than under a finance company master policy, Walter Meiss, executive general agent of the London Assurance, and its associated Manhattan F. & M. and Union of Paris states in a communication to the companies' agents.

After quoting the resolution on financed automobile business adopted at the Pittsburgh convention of the National Association of Insurance Agents, he tells of the energetic campaign conducted by his office to regain such risks to agency channels, and presents a loss payable clause for attachment to policies covering cars purchased on time payment plans, or constituting collateral loans, which he maintains affords the lien holder better security than under the mortgagee provisions of the master policy.

Ullmann Marine Agent of Atlas Assurance in East

Albert Ullmann, 12 Gold street, New York City, has been appointed marine agent by the Atlas Assurance, signaling its entering actively the writing of ocean marine in the east. The company has been authorized to write marine ever since it entered this country in 1886, but in the past has had a representative for the ocean branch only on the Pacific Coast.

Mr. Ullmann is a marine underwriter of long experience who received early training under Franz Herrmann, one of the leading marine underwriters in New York before the war. For a time until 1918 he was with O. G. Orr & Co. Then he was underwriter in the Marine Office of America and later headed the Columbia Underwriting Agency which handled ocean marine for the American Equitable until late in 1921. Mr. Ullmann then became marine agent of the North British & Mercantile and later of the National Union and Fidelity & Guaranty.

UNIFIED EFFORT IS CALIFORNIA KEYNOTE

(CONTINUED FROM PAGE 5)

responsibility imposed upon them in their organization work as guiding spirits of the American agency system.

At the executive session President Welsh's recommendation that a set of guiding principles be drafted to which companies would be asked to subscribe, in the elimination of unfit and part time agents, was considered. Legislation, retrospective rating, membership and wholesale buying of insurance were discussed. Cooperation with the insurance department in drafting effective measures was favored. No definite action was taken on the proposal of the Watsonville association for establishment of a state rating bureau. A study of the question will be made, but there will be no attempt to put through such legislation at the forthcoming session.

F. M. Cotter, president of the Oakland association, reported on retrospective rating which was previously approved by the California association.

Wholesale buying of insurance was condemned as a destructive element at the executive session and it was voted to watch carefully developments along this line. There was considerable discussion on retention of automobile business, capturing automobile finance business, operations of a new farm program and the serious aspects of workmen's compensation insurance.

Breakfast Conference

A breakfast conference was held by local associations interested in writing political sub-division insurance. Neal Harris of Oakland served as chairman with the following participating in the discussion: E. R. Pickett, Sacramento; Paul Riordan, Stockton; A. J. Rapp, San Mateo; Leroy Wilkie, San Rafael; and Hugo Meyer, secretary of the Insurance Brokers Exchange of San Francisco.

W. B. Glassick of Hollywood served as chairman of the general session on agency management and operation. O. D. Baldwin of Hall & Rambo, San Jose, and George Mulcahy, special agent, Crum & Forster, San Francisco, presented a symposium on "Selling Net Earnings Insurance."

The address of F. S. Dauwalter, director of the Business Development Office, was the basis for considerable informal discussion throughout the remaining time of the convention, with widespread enthusiasm for the office which he represents and its effectiveness in assisting the stock company agents.

Urges Active Legislation Interest

A plea for members to take a more active interest in legislative and civic affairs was voiced by John H. Riordan of Knight, Boland & Riordan of San Francisco, attorney for the association.

In an informal discussion of claims and the extent to which agents should participate in adjustments, it appeared

to be the consensus of opinion that agents should enter into adjustments. C. T. Buckman, a former president and national councillor, said that agents should take the adjuster to the claimant, make them acquainted, and follow through until the final adjustment has been made. He pointed out that clients are naturally nervous at the time of a loss and that they are prone to lean on an agent at such a time and that the agents should not fail them, but should assist in every way possible. It was also pointed out by several speakers that through such participation in the claim settlement, agents are in position to increase their volume of business.

Opportunities in Farm Cover

In a discussion of farm business it was pointed out that many agents are not taking advantage of the opportunity presented in writing such classification of business. H. J. Thielen, who has served as chairman of the farm committee for a number of years, during which the farm bureau of the Pacific Board has been established, told of the cooperation of the farm committee of the board.

A novelty skit was sponsored by the Fireman's Fund group, written by W. Stanley Pearce, advertising manager, and directed by J. M. Vickers of the statistical staff of the companies. It showed what might happen in any office any night were the calendar, the desk, the safe and the typewriter to come to life and discuss the insurance situation as it applied to the owner of the office. The desk, incidentally, being played by Mr. Pearce with other employees of the company representing the safe, calendar, typewriter and scrub woman. Mr. Vickers played the part of the office owner who finally finds that he is not properly covered against a contingency which has arisen in the form of a holdup. The playlet put the audience in proper mood for the symposium which followed on "All risks personal property floater" presented by Frank M. Flynn, Hollywood, and A. B. Knowles, marine general agent of San Francisco.

Standard Form Viewed

Francis L. McDowell, former president, discussed "The Standard Automobile Insurance Policy." W. B. Swett, former president, served as chairman of the nominating committee, while C. Elmer White, Oakland, headed the resolutions committee.

The National association was commended for adoption of resolutions at its Pittsburgh meeting on changing conditions and public relations; financed automobile business; qualifying bonds and cooperatives.

The California association adopted another resolution calling for additional funds to enable the division of insur-

ance to carry out the entire functions of that office. Another resolution stressed the necessity for proper physical identification and examination as an aid to the department of motor vehicles in its safety work and recommended that sufficient funds be made available for this work.

In other resolutions President W. Owen Wilson was thanked for his attendance and counsel; the absence of Commissioner Carpenter was regretted and Retiring President Welsh thanked. Tribute was paid the memory of Ralph W. McCormick, who served as president during 1924-1925 and who passed away in Sacramento last month.

The convention closed with the annual banquet, entertainment and ball at which Mr. Welsh served as toastmaster and A. E. Shepperd, president of the San Jose Association of Insurance Agents, as master of ceremonies.

CALIFORNIA PICKUPS

At the closing session President and Mrs. Welsh were presented with a sterling silver tea service as a token of appreciation for Mr. Welsh's efforts and accomplishments during the past year. The presentation on behalf of the association was made by James K. Ingham of Pasadena.

Will Stephens of Los Angeles, oldest living president of the association, who served in 1911, was present, participating in the discussions, banquet and past presidents' annual dinner. Other past presidents in attendance were: W. T. Rambo, San Jose; F. L. McDowell, Riverside; H. J. Thielen, Sacramento; H. R. Schroeter, Oakland; Nye B. Swett, Fresno; Eugene Battles, Los Angeles; W. H. Menn, Los Angeles; C. T. Buckman, Visalia, and E. R. Pickett, Sacramento.

The closing day of the convention also marked two other events of importance—the 21st anniversary of the marriage of H. J. Thielen and Mrs. Thielen, and Mrs. William P. Welsh's birthday.

A telegram expressing the regrets of Commissioner E. A. Smith of Utah, who is at present in Los Angeles in connection with the affairs of the Pacific Mutual Life, at his inability to be present, was received.

Because of the number of subjects on which the agents desire to hold executive conference, there was some discussion of lengthening the convention to three full days in future years. Heretofore, only a half of a day has been devoted to these executive sessions.

Participating in the executive session were the following officers and members of the board of governors of the San Francisco Brokers Exchange: Stephen Malatesta, president; Hugo Meyer, secretary; John B. Hauer, Jules Voorsanger, Harry R. Schroeter, Ed. Jones, R. D. Connolly and Deleven Bowley. Mr. Bowley represented the exchange at the recent meeting of the National association in Pittsburgh. J. McCann Davis, manager of the Insurance Brokers Association, which handles the public line in-

Mule Insurance Offers Beneficence to "Rehabs"

AUGUSTA, GA., Oct. 28.—There is insurance of all kinds but a form of protection on which Burke county's rehabilitation farmers place a very high value is their "mule insurance." It protects them against the loss of their work stock, and since all of them are either one or two-horse farmers, it eliminates the fear that in the event their mule dies during the active period of cultivation, they will be unable to finish their crop.

These 84 farmers operating under the resettlement administration have a mutual understanding among themselves that if one of their mules dies, the 84 of them and the county farm supervisor will contribute \$1 apiece to replace the animal which has gone the way of all flesh with one in whose bones there is still some usefulness.

"I do not know of any place such 'insurance' is being practiced," B. F. Wardlow, local resettlement supervisor, explained.

"It is strictly a county enterprise and is being successfully operated," he pointed out. Three or four of the rehabs' mules have died this year and the members of the unique society have chipped in with the dollar and the farmers' crops were assured of continued cultivation.

Lee Williams, one of the Negro farmers under resettlement supervision, remarked that he thinks "dis mule insurance proposition is a good thing" because it affords an easy way to help the fellow suffering the loss to keep going with his crop. Lee has willingly contributed to the "pot" every time the occasion demanded, for he said that some day he "might want the others to do the same thing by him."

The supervisor handles the money for the group and assists in the purchase of the mules.

Reelect Milwaukee Officers

MILWAUKEE, Oct. 28.—The Milwaukee Board at its annual meeting re-elected L. C. Hilgemann, president; Val Gottschalk, vice-president, and William F. Lynch, treasurer. Reports were made by officers and committee chairmen.

Insurance of the exchange, was also presented.

While it will be up to the officers of the association to designate the city which will act as host for the 1937 meeting, three cities presented their bids at the closing session. They were Santa Monica, Hollywood and Modesto.

N. A. Abinante of McChesney & Webster at San Jose was winner in the \$50 advertising slogan contest conducted by Kirschner & Co., with "If it's worth having—insure it."

UNION

INSURANCE COMPANY OF INDIANA

Executive Offices: INDIANAPOLIS

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Agency Inquiries Invited

A strong, progressive stock company. Organized 1849. Desirable territory in Indiana, Illinois and Ohio



Insurance Institute Has Meeting; Elects Officers

WINTER CHOSEN PRESIDENT

Atlantic Mutual Chief Will Head Group During Coming Year; Prizes Awarded for Tests

NEW YORK, Oct. 28.—W. D. Winter, president Atlantic Mutual, will head the Insurance Institute of America during the coming year. He was elected Tuesday at the annual conference and luncheon.

Other officers are: Vice-presidents: L. E. Falls, vice-president American of Newark; J. D. Craig, vice-president Metropolitan Life; E. R. Hardy, re-elected secretary-treasurer; members of the board of governors for term ending 1930: B. M. Culver, president America Fore; Richard Deming, vice-president American Surety; W. J. Graham, vice-president Equitable of New York; H. R. Hedge, vice-president Boston; O. E. Lane, president Fire Association; Henry Moir, chairman of the board U. S. Life, and Benjamin Richards, manager Underwriters Service Association.

Retiring President Graham presided at the luncheon and business meeting, and announced the following prize winners for excellence in written examinations: Life branch, Miss Mildred K. Hewitt, New York; marine, Robert A. Murphy, New York; surety, Philip G. Andrews, New York; casualty, Arthur C. Anderson, Madison, Wis.; fire, John R. Wright, Seattle. Charles G. Roth, National Surety, won the Edward Roche Hardy prize.

Superintendent Pink Speaks

Insurance Superintendent Pink was a speaker. He said the work done by the Institute was not only to teach the forms and rules of insurance but the value of human relationships as well, and to point out that insurance belongs to no political party. Students should realize, he said, that insurance is primarily a service to mankind. J. A. Beha, general counsel National Bureau of Casualty & Surety Underwriters and Association of Casualty & Surety Executives, was present as was G. S. Van Schaick, vice-president New York Life and former New York superintendent.

Secretary Hardy in his report said there is an increase of over 500 in registrations this year over 1935 and the number of graduates receiving final certificates is steadily increasing. In reporting on the study groups formed, Mr. Hardy said it was found that these groups were doing excellent work in bringing agents of a community together. He recommended establishing in large centers of a primary organization for a certain territory to serve as a parent body for auxiliary groups. Commenting on the inland marine course, he said this will now be a definite and specific course of one year and certificates are presented for the completion of it.

The following representatives from various societies reported for their branches: Baltimore, F. A. Roloson; Boston, D. N. Handy; Cedar Rapids, R. E. Curray, president Inter-Ocean Reinsurance; Hartford, John Adams; New Haven, E. P. Stover and G. H. Fulton; New York, S. T. Skirrow, R. C. Angus and E. H. Kingsbury; Philadelphia, P. M. Fell and Kenneth Trotter; Springfield, Mass., E. E. Smith and R. M. Trask.

The secretary, in outlining the educational work of the Institute, said an increasing number of students are earning final certificates, with 297 this year. He also cited the wide range of inquiries about the courses, twice as many letters having been received this year as last. Almost all the United States, three Canadian provinces and 10 foreign coun-

Four Speakers Named for Illinois Meeting Nov. 18

Further plans for the annual meeting of the Illinois Association of Insurance Agents, Nov. 18 at Peoria were announced this week. Members will convene at the Pere Marquette Hotel, with President Frank J. Budelier of Rock Island presiding.

W. L. Falk, superintendent brokerage department of the Royal-Liverpool groups, will address the association, which makes a list of four speakers scheduled so far. Others to appear before the body are Paul L. Haid, president Insurance Executives Association, New York; C. F. Liscomb of Duluth, executive committee chairman National Association of Insurance Agents; and Insurance Director Palmer of Illinois.

The directors will convene the evening before the convention proper. Those attending are asked to make reservations immediately by communicating with L. H. Gift, 208 South Jefferson street, Peoria.

Weeding Out Undesirables Is Progressing in Ontario

Licenses have been refused 397 individuals by the agents advisory board of the Ontario department during the license term ended Sept. 30. Charles Johnson, chief agency officer for the province, said the department policy is to refer all new applications to the advisory board and the results are indicative of the value of the licensing system. The government hopes to weed out undesirables from the insurance business and put insurance on a higher plane.

Licensing of lawyers as agents has caused considerable discussion. Only one partner in a legal firm at present must be licensed in order for the firm to transact insurance business, whereas in an insurance agency partnership or company all partners or officers must secure individual licenses.

The matter, it is said, will be taken up with the provincial attorney-general by the Ontario Fire & Casualty Agents Association before the next legislative session. A proposal is understood to be drafted prohibiting the insurance superintendent from granting licenses to practicing lawyers or their employees. A similar bill was introduced in the last session of the Ontario parliament but dropped after first reading.

W. I. B. Discussion Topics

Important topics before the Western Insurance Bureau subscribers' committee at its White Sulphur Springs meeting were the agitation for rate reductions and the Missouri rate litigation which is still pending in the state courts. On both questions it is felt that a satisfactory solution will be obtained. The agitation for rate reduction, such as the one in Detroit, is regarded as political and one which will pass when elections are over. It is believed in regard to the Missouri rate case that the state courts will come to a decision similar to that taken in the federal court action where under the "excess" premiums collected were returned to policyholders, with provision being made for court costs and commissions.

Barthelmes in Chicago

A. W. Barthelmes, marine secretary National Union Fire, is spending several days in Chicago on business. He will return to the home office in Pittsburgh.

tries were among the sources of inquiry.

He said that some way should be found to retain the interest of the associates (students completing one of the courses). Their membership has declined, while little change is noted in enrollment of companies, societies and fellows.

Many Changes Are Proposed to Cure Evils in St. Louis

COMMITTEE OF SIX REPORTS

Provision for "Supervising Agents" Recommended—Regulate Commissions to Brokers, Not to Agents

ST. LOUIS, Oct. 28.—The Class 1 members of the Fire Underwriters Association of St. Louis will hold a special meeting tomorrow to consider certain recommendations made by the committee of six in regard to proposed changes in its rules.

The changes proposed are: That the name be changed to Underwriters Association of St. Louis, eliminating the word "fire."

That its scope be broadened to include all forms of insurance except life and fidelity and surety.

That the qualifications for membership be such that any policy-writing agent shall be eligible.

That membership be divided into active and associate, the agent to decide to which class he shall belong. There is to be no distinction in qualifications between the two.

Registration of Brokers

That provision be made for the registration of brokers, both resident and non-resident. Resident brokers shall pay dues and shall be either exclusively in the insurance business, or in insurance and real estate. Real estate agents, mortgage loan agents, and building and loan associations could join the association either as members or brokers.

That the management shall be in the hands of an executive committee composed of active class members and that voting be vested in the active class.

That there shall be a suitable difference between entrance fees and dues of active and associate class members, but all those in the associate class shall pay dues.

That a forfeiture fund be established as evidence of good faith and to assist in maintaining discipline; deposits by active class members representing either fire companies only, or casualty insurance companies, to be \$500; for both fire and casualty companies, \$750; associate class, \$100; no deposit required of brokers.

Provide for Supervising Agents

That there shall be not more than two direct reporting agents of any company. One of these may be designated a supervising agent, and in that case additional agents may be appointed as supervised agents, all of whom shall report to the supervising agent, with no limitation of the number of supervised agents.

That well-developed areas in St. Louis county immediately adjacent to the city should be included in the jurisdiction of the association, possibly to the extent of the entire county.

That there be no reference to commissions received by member agents from companies in the constitution and by-laws; graded commissions to be paid to brokers, 7½ points less than the figure mentioned in the by-laws; limitation of casualty commissions paid to brokers, using "acquisition cost" rules and percentages; commissions to be paid to brokers of 10 percent flat on inland marine.

N. G. Dempsey to Cincinnati

CINCINNATI, Oct. 28.—N. G. Dempsey has been transferred from West Virginia to southern Ohio by the Pearl. He will travel 16 counties from Cincinnati, where the Eureka-Security agency, general agent for the territory, is located. From 1922 to 1926 he was at the head office of the Fireman's Fund. He traveled Pennsylvania and West Virginia 2½ years for the Eureka-Security, concentrating on the latter state for the Pearl group until recently.

Oklahoma Insurers Plan Extensive Meeting Program

A program of quarterly meetings to be held on the second Friday of December, March, June and September in Oklahoma City has been formulated by the executive committee of the Oklahoma Association of Insurers. Two mid-year conferences also will be held, one in the eastern part of the state and the other in the west, the main subjects to be production and a survey of legislation, especially the driver's license law.

Seven regional meetings are planned early in the spring after the legislature adjourns. The quarterly meetings will be attended by presidents and secretaries of local exchanges. The executive committee approved a project to name councils of three members in each county to assist the president and executive committee in serving agents. It also is planned to seek information of exchanges in every town having two or more legitimate agencies.

Watch Boston Mutual Move

BOSTON, Oct. 28.—The institution of a mutual fire insurance rating bureau in Boston has already caused consternation in local general agencies with not a few anticipating that a serious rate war will be the outcome within a short time.

Local offices are being told by agents and brokers of offers to take their lines without imposition of the territorial surcharges in the congested districts and of further discounts running as high as 35 percent. One agent reported his ability to place a certain Boston risk at 50 percent off the regular Boston Board rate, made up of waiver of the 13 per territorial charge and with a 30 percent discount.

While the stock company rating bureaus have allowed some leeway at times in meeting mutual competition, under strong pressure and aggravating conditions, the new situation is one which threatens to tax the accommodating facilities of the stock company bureaus beyond any reasonable limits.

Mutual competition with the old established agency writing mutuals in the past has been tough enough but the new bureau, which is not supported by the old time New England mutuals, presents a new and staggering situation which is not relished by either the stock or agency mutual companies.

Another Big Muskegon Fire

MUSKEGON, MICH., Oct. 28.—Greater Muskegon's record-breaking fire loss record was swelled again when the Norge corporation, division of Borg-Warner corporation, suffered damage estimated at \$200,000 in a blaze which started Monday afternoon and required more than a day to bring under control. The fire was in the woodworking plant. It is a Western Factory line.

The fire, which started under the first floor where there was no basement and spread through siftings of many years which underlay the entire plant, caused a heavy smudge which it was difficult for firemen, inadequately equipped with gas masks, to penetrate. Both Muskegon and Muskegon Heights firemen joined in the fight and some light equipment, including masks and revolving nozzles, were brought from Detroit by airplane. The Norge plant consists of a series of structures that have been built through the years.

A series of costly fires, including one early in the year which destroyed the old section of the Occidental hotel, has sent the loss total for this community to a new high this year, in spite of the utmost vigilance on the part of the fire-fighting forces, which are undermanned and under-equipped due partly to operation of the 15-mill property tax limit.

Miscellaneous Notes

The Republic of Texas has declared a quarterly dividend of 2½ percent. Jack Brasher, 39, of the Brasher agency of Weimar, Tex., died.

Kansas Prize Winning Essay

Charles E. Harrison of the Dulancy, Johnston & Priest agency, Wichita, was the winner this year of the prize given by the Kansas state agents of the North America. At the meeting of the Kansas Association of Insurance Agents in Wichita, the award was made to Mr. Harrison by R. D. Lathan of the North America. Mr. Harrison's essay, on inland marine, was:

"One of the fastest growing departments of the fire companies is their inland marine department. The chief reason for this is the gradual education of our assured, on the part of wide-awake agencies, that contracts can be made to fit most needs. For the individual we might call the personal property floater the 'custom built' contract of the insurance business. When you pay an unusual loss under this contract, you have cemented the friendship and confidence of a customer and you will receive advertising of a nature impossible to buy. He doubly realizes he has purchased quality merchandise.

Need Satisfied Customers

"Any agent dislikes to say, 'No, Jim, it isn't covered.' Many a disgusted policyholder will make this statement to his friends, 'Why buy insurance? There are so many exclusions and loop holes that it is impossible to get a claim paid.' While these remarks may or may not reflect directly on the agent, they do reflect unjustly on the insurance business as a whole. A more diligent job on the part of the agent in selling coverage rather than price would have resulted in a satisfied customer and a booster for our business.

"I know of no better entering wedge to a commercial or individual account than the often overlooked marine lines. What individual, whether he is a camera enthusiast or stamp or coin collector,

will refuse to talk to you regarding his hobby and its protection?

"A parcel post policy, if it fits a commercial account, will make a friend for you after you have explained the elimination of red tape, in case of loss, and the time formerly spent at the parcel post window that your customer will save.

"The insurance buyer may not have coverage on his merchandise at the exhibition. Arrange a tailor-made contract for all risk coverage for ten days. The buyer may not know it is possible to buy an installment floater to cover the unpaid balance due on merchandise in the hands of customers. Call his attention to the fact that collision insurance on trucks doesn't cover merchandise in transit. Cargo insurance may be what he has subconsciously been worrying about.

Unusual Coverages

"Believe it or not, people respect Ripley. He demands and receives their attention due to his knowledge of the unusual. Customers, prospective or otherwise, will respect you if you have knowledge of the unusual coverages. They will want to consult you regarding their other insurance problems, for you have led them to believe you have a sound knowledge of your business.

"The insurance buyer wants fewer policies. Fewer exclusions mean more complete coverage. That the insurance companies realize this is evident by the issuance of the supplemental contract to replace windstorm, tornado, hail and explosion coverages. The comprehensive automobile policy is another answer.

"Quality insurance sold to cover usual and unusual losses will tend to make you an unusual insurance man selling an unusual volume of insurance to cover usual and unusual losses."

Globe & Rutgers Offers to Buy Second Preferred Stock

Opportunity has been offered holders of second preferred stock of the Globe & Rutgers to sell their stock to the company by submitting sealed tenders on or before Nov. 4. The next day the company will accept the lowest tenders at prices not exceeding \$100 per share, \$250,000 having been set aside by directors for this purpose. An additional amount may be appropriated if necessary to take up all tenders. The G. & R. early this month acquired 2,500 of its preferred shares from the RFC for \$250,000 and last month purchased 1,250 shares, which will be retired by vote of stockholders at the next annual meeting.

Duryee to Philadelphia

NEW YORK, Oct. 28.—George S. Duryee, special agent in the service department at the head office of the Home for some time, has been transferred to the Philadelphia branch in the same capacity. Before joining the Home in 1928 he was connected with the New York Board and the New York Fire Insurance Exchange.

Honor Woolston's 30-Year Record

In recognition of 30 years' representation of the National Union, E. W. Woolston, a prominent agent at Ocean Grove, N. J., was presented a congratulatory letter from executives, delivery being made by Secretary F. J. Breen, General Agent Ackerman and Special Agent Kasas. Woolston's appointment was made by Mr. Ackerman while both were traveling east from San Francisco, Oct. 26, 1906.

Files Rate Deviation

The American Druggists Fire of Tulsa, Okla., has filed request with the

Oklahoma department to write at 25 per cent under manual, arguments being heard but decision being under consideration.

Northern Reduces Capital

Maximum authorized capital of the Northern of New York has been reduced from \$1,500,000 to \$1,000,000.

Opens Dothan, Ala., Office

With A. D. Roquemore as adjuster in charge, the Fire Companies Adjustment Bureau has established an office at Dothan, Ala.

Barry on Advisory Group

E. B. Barry has been named on the Pacific Coast advisory committee of the Inland Marine Underwriters Association, succeeding A. B. Knowles.

Carson Back on Job

E. P. Carson, special agent of the Continental and American Eagle in Indiana, who suffered an automobile accident last winter when the pavements were covered with ice and was incapacitated for about six months, is again resuming his duties.

Columbus Insurance Society Meets

At the luncheon of the Columbus Insurance Society Monday, the speakers were Secretary W. H. Bennett, National Association of Insurance Agents and H. S. Martin of Toledo, vice-president Ohio association. I. B. Lentz, the president of the society, was in charge.

Roy L. Nicholson, Wisconsin state agent Michigan Fire & Marine, last Monday night inducted his son, Laurence Roy, into Masonry. The young man became a member of Lafayette Lodge No. 265, Milwaukee, of which the elder Nicholson is senior deacon.

Previously the father had conferred

the entered apprentice and fellowcraft degrees on his son, and Monday awarded him the master Mason's degree.

Railway Gets Judgment for \$5,000 in Crash with Truck

Judgment of \$5,000 in favor of a railway company for damage to its equipment in a crash, and against a grocery company, owner of a truck that was involved, was granted by a jury in federal court at Oklahoma City in the case of the Frisco railway against the Hale-Halsell Grocery Company of Hugo, Okla. The truck was struck broadside by the train, a gasoline combination motor car, but it appeared in testimony the truck driver, who was killed, was racing the train and forgot that before getting to the intersection the highway described an arc away from the railroad track, so the truck

had to move farther than did the train from that point.

The grocery company first sued in state court for loss and damage to its truck, fire having ensued, spreading to the gasoline locomotive. The railway filed a counter claim and also sued in federal court for damages to its car. The jury decided the truck driver was negligent as the train gave proper signals. It also was shown the truck had a governor adjusted to 35 miles an hour.

A number of fire companies were on the railway car loss, paying the claim and then taking subrogation against the grocery company. C. H. G. Heinfeld of Lord, Lloyd & Bissell, insurance legal firm of Chicago, represented the fire companies, local counsel being Cruze, Centerfield & Grisby of Oklahoma City.

Have you a 1936 Time Saver—the policy reference book of leading Accident and Health Companies and agents? Order through The National Underwriter.

MERCHANTS INSURANCE COMPANY OF PROVIDENCE

31 CANAL STREET INCORPORATED 1851
PROVIDENCE, RHODE ISLAND

• STATEMENT AUGUST 1, 1936 •

ASSETS

Bonds and Stocks.....	\$2,700,032.85
Cash Balance	198,284.79
Agents' Balances Outstanding.....	328,759.92
Accrued Interest, Other Assets.....	46,824.85
	\$3,273,902.41

LIABILITIES

Reserve for Unearned Premiums.....	\$1,082,821.00
Losses in Course of Adjustment.....	60,322.00
Reserve for Taxes, Expenses, All Other Liabilities	62,914.22
Special Reserve Account.....	30,000.00
Capital Stock	\$1,000,000.00
Net Surplus Beyond All Liabilities....	1,037,845.19
Surplus to Policyholders.....	2,037,845.19
	\$3,273,902.41

NOTE: All bonds and stocks are carried at Actual Market Value.

Policyholders rating A+ (Excellent)

This company is built on the best practices of insurance and the fine traditions typical of New England.

PROVIDENT FIRE INS. CO.
Fire and Automobile Lines
ROYAL EXCHANGE
ASSURANCE
CAR and GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

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NEW YORK

EDITORIAL COMMENT

Political Factor in Rates

HERBERT A. CLARK of Chicago, vice-president in charge of the western department of the FIREMEN'S group, in his presidential address before the WESTERN INSURANCE BUREAU brought out a point that often confronts the insurance world and that is the political factor in rating. Where the state is given regulation of rates it is quite natural for that very issue to become a football of politics. Insurance people would not be antagonistic to anti-discrimination laws or rate supervision if the regulatory process

were intelligent and fair. Insurance men, however, often find themselves in an embarrassing position where the administration endeavors to create political capital by ordering rate reductions. Usually the demands are unjust and unfair. Companies readily respond to intelligent and equitable suggestions. There is a disturbing factor where the rate structure is more or less thrown off its foundation by political maneuvering. The politicians often proceed impetuously and without understanding.

The Government Will Still Live

AMID all the wear and tear, speech making, ballyhoo, charges and counter charges, fears and tears during this red hot political campaign it is refreshing to have a man of the caliber of President GUY W. COX of the JOHN HANCOCK MUTUAL LIFE assure us that notwithstanding what party is victorious at the polls next week, busi-

ness will continue on the upgrade and economic conditions will be more favorable. Mr. Cox is a shrewd business man and has a broad view of the economic horizon. He feels confident election of a particular man or party president will not today jar the United States off its extremely solid pedestal.

Much State Convention Provender

UNDOUBTEDLY readers of THE NATIONAL UNDERWRITER have been impressed during the last few weeks with its comprehensive stories of meetings of state associations of local insurance agents. There has been a procession of these conventions and they have all been most useful and helpful. The basis and backbone of agency stability is the local or county board. Companies as a group may not listen with an attentive ear to one agent or two agents but they will to organized agents. The local board deals with matters in a limited area and therefore when they take up complaints or suggestions they have something very definite and concrete. Organized local agents appreciate the power and worth of an association.

The next step upward is the state

association where there is a community of interest within the boundaries of a commonwealth. A state convention offers the opportunity for leaders throughout the state to gather together, become acquainted and thus solidify themselves for offensive and defensive work. The state convention is educational and informative and yet it has its business features where the agents themselves get together and discuss their own problems largely in executive session. There are always legislative and departmental questions to receive attention. The programs of the state associations this fall have been unusually important. The addresses were full of meat and some of them were masterpieces. It pays an agent to attend his state meetings.

Commissioner Smith on Rate Cutting

COMMISSIONER E. A. SMITH of Utah, in giving an address before the local agents of his state, came out very strongly against rate cutting of an unintelligent and haphazard nature. Experience is relied on by companies to give them the cost price of their business. Organization companies feel it incumbent upon them to observe manual rates unless the deviation is officially authorized by the rating body or the company organization.

Commissioner SMITH dealt with those companies that cut rates regardless of experience. They are out merely to

create volume and let the devil take the hindmost. Some agents are allured for a time by companies of this kind and write policies for their customers in them and then later pay the penalty. Commissioner SMITH was particularly emphatic in his statement that companies should never weaken their financial structure through rate cutting or other destructive devices. Where rates are too high, then they should be reduced in an orderly way.

The Utah commissioner leveled his battery against snipe shooters. There are always companies and agents that

are willing to take a pot shot and hope to bring down some game. No company can remain solvent, Commissioner SMITH said, unless the premium paid is sufficient to carry the load of operation. When an agent is invited by a com-

pany to represent it and it offers inducements that seem quite different from other companies he should make a very close and searching examination to see whether the management is wise or foolish.

On Time for Appointments

THERE is nothing more aggravating than having made an appointment to find the person whom you are to meet late. That is almost a personal insult. The man who is on time or a little

before time does not lose an order. If he is behind time he may offend the other person. Therefore it is a good thing to be on time whenever an appointment has been made.

PERSONAL SIDE OF BUSINESS

John B. Tetlow of Peoria, Ill., state agent of the American, who was given a leave of absence on account of ill health, has returned home but will not start to work for some time. He went to his old abiding place at Union City, Ind., where he discovered that he had gallstones after an x-ray was used. Therefore an operation was performed and four stones were removed. At the same time his appendix was extracted. Mr. Tetlow is now recuperating. Last week he went to Nashville and attended the annual meeting of the Tennessee Association of Insurance Agents.

William Thomas, prominent San Francisco attorney, a director of the California and associated for many years with that organization died there. He first became connected with the California as its attorney, serving in that capacity for many years and during its reorganization after the fire of 1906.

R. Emery of Emery & Kaufman, New Orleans, has returned from a European tour. While across the water, Mr. Emery attended the Olympic games in Berlin.

John H. Fechter, president St. Louis Association of Insurance Brokers, is recuperating at his home after a stay at a local hospital where he underwent a very serious operation.

Patricia Ellis, widely known movie star, spent the past week in Detroit visiting her father, Eugene G. O'Brien, local agent there, and her many friends in the city.

Robert C. Hosmer, president of the Excelsior, and Mrs. Hosmer are celebrating their 30th wedding anniversary Friday. They were married in Chicago in 1906. There are three sons, Robert, the eldest, being a Dartmouth graduate and now a special agent for the Excelsior; David, an undergraduate at Dartmouth, and Cameron, a student at Deerfield Academy. Mr. Hosmer is a graduate of Cornell University, and Mrs. Hosmer an alumna of Northwestern. After being associated with several insurance companies in the midwest, Mr. Hosmer left Chicago for Syracuse in 1925 to become vice-president and general manager of the Excelsior which had just been organized by Fred J. Bruns as a stock fire company owned and directed by local agents. Upon the death of President

Bruns about a year and a half ago, Mr. Hosmer succeeded him.

Mr. Hosmer comes from a noted insurance family. His two uncles founded R. W. Hosmer & Co. in Chicago, R. W. Hosmer having been the first president of the Illinois Association of Insurance Agents. Today two brothers, P. B. and Rockwood Hosmer, are continuing the R. W. Hosmer agency.

Col. Joseph Button, secretary-manager of the Stock Company Association was an interested spectator at the football game in Richmond between University of Richmond and Virginia Military Institute. He has long been on the board of visitors of the V. M. I., which won 20 to 0.

George A. Petrie, head of the Commercial Agency, Alexandria, La., and past president of the Louisiana Insurance Society, died at his home there.

J. C. Howard, 64, staff adjuster of the Fire Companies Adjustment Bureau, Los Angeles, died suddenly from a heart attack. He had had 40 years of experience in the business, and before joining the bureau about five years ago was vice-president of the Pacific American.

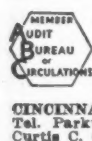
Stuart Ragland of Tabb, Brockenbrough & Ragland was elected president of the Insurance Exchange of Richmond, Va., at its annual meeting. J. Davis Ewell, who was erroneously reported as having been elected president, was elected a director.

Harry G. Thomas, special agent North British & Mercantile in Louisiana, will be married Nov. 12 to Miss Charlotte Adams of New Orleans.

W. J. Traynor of New York City, advertising manager of the North British & Mercantile group, is on a western trip, having visited Chicago, and then went to Minneapolis to confer with the field men there.

Charles Hawks of the Hawks Insurance Agency, Horicon, Wis., is Republican candidate for secretary of state of Wisconsin at the November general election.

Harrison Houseworth, wielder of the San Francisco Blue Goose and secretary of the Special Agents Association of Central & Northern California, "stole a march" on his friends and business associates some time ago by entering the ranks of the benedicts. A widower for



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many years, Mr. Houseworth, who retired some time ago from the service of the North America, kept the secret until he and his bride entrained to attend the Blue Goose grand nest meeting at Oklahoma City.

Stanley Foster, Adrian, Mich., local agent, was killed while piloting a private plane, cooperating with a law enforcement body in locating two boys who had stolen an auto. Mr. Foster had been in insurance business for many years.

Clarence A. Ludlum, former Home vice-president, inveterate globe trotter, writes: "I am leaving Saturday for Canada, the deep woods—moose, deer, bears—or what have they? Can you imagine me in a red cap, a hunting coat, red and black plaid hunting trousers, laced boots, etc.? Don't try! And no 'barberous' treatment for my whiskers. I'll probably emerge looking like a composite of Santa Claus and Methuselah."

E. M. Griggs of Chicago, assistant general counsel of the National Board, has returned from a vacation trip in the Ozarks region. He engaged a cottage for a time at Rockaway Beach in southwestern Missouri and then motored to Memphis, Little Rock, Hot Springs and other points in Arkansas.

George Webster, general adjuster Fire Companies Adjustment Bureau, Denver, has been laid up for the past two weeks by illness. He is now recuperating at Mineral Wells, Tex., and hopes to be back on the job Nov. 1.

Alfred M. Conway has just rounded out half a century in the insurance business. He is head of Eustis & Conway, New Orleans. He began his career with the agency of W. N. Railey in 1886. The partnership with Mr. Eustis was established nine years later. Mr. Eustis' death a number of years ago left the firm name unchanged.

New Corn Loan Forms

The new insurance setup in connection with the 1936-37 Commodity Credit Corporation corn loan program has now been decided upon. L. G. Warder of Chicago, farm manager of the Hartford, went to Washington to work out the details. The Western Actuarial Bureau this week is printing the forms. Two forms will be used, one known as corn loan form A for the insuring of ordinary grade corn in sealed cribs, where the insurer agrees to settle in the event of loss for 55 cents a bushel, even though the market price may be less than that. Form B is for the insuring of seed corn sealed in cribs where the guaranteed price is \$1.75.

The Hartford and Glens Falls have jointly been writing the errors and omissions coverage to protect the CCC where the individual borrower fails to purchase insurance or where the borrower's insurance is deficient.

Flashes of Massachusetts, New Hampshire Meetings

The Springfield Fire & Marine was host to the agents at the dinner of the Massachusetts Association of Insurance Agents in Springfield.

J. W. Downs, counsel of the Insurance Federation of Massachusetts, says that a compensation plan for victims of automobile accidents may be unconstitutional, in violation of the 14th amendment.

George G. Bulkley, president Springfield F. & M., was unable to be present at the Massachusetts meeting because of illness. The association sent flowers, a message of sympathy and special thanks for the dinner provided by the Springfield.

Arthur H. Nelson, retiring president of the New Hampshire association, still walks with a cane, the effect of an automobile-tree collision last month. He was not seriously injured, but was unable to attend the Pittsburgh annual meeting of the National Association of Insurance Agents.

Henry Martens, manager of Springfield, said that during the tercentenary year there, 102 conventions are being held in the city. He has greeted personally the 76 already gone by.

Ray Dreher, advertising manager of the Boston, was at Manchester, ready to explain his company's business building plans.

Frank DeMeritt, Exeter, N. H., editor of "Granite Chips," does not expect any more to see his name spelled correctly with the one "r" unless he sees the final proofs. He cannot get his name spelled correctly in the New Hampshire programs and proofreaders of insurance papers insist upon adding the extra "r" even when the spelling is sent in correctly.

George Trask, agent at Keene, N. H., is also the mayor.

F. L. Greeno of Rochester, after checking New England pronunciations, such as "Wooster" for Worcester and "Gloster" for Gloucester, said he would not be surprised sometime to be introduced as coming from Rooster.

F. L. Norton, Salem, secretary, missed his first Massachusetts meeting in many years, being kept away by his mother's illness.

E. L. Murphy, Pittsfield, said the local board there increased its efficiency and usefulness by expanding its territory to take in the entire county. He thought this might offer a valuable suggestion for other boards.

F. R. H. McGlynn, Worcester, reported the board there had had a weekly meeting regularly for 52 years. A fine of 25 cents is paid by members who do not answer the roll call. There was a hint that some members, at least, pay their fines in advance.

Paul Woodcombe, Fitchburg, presented the report of the accident pre-

vention committee. Only five percent of the local boards gave a response when his committee appealed for cooperation.

When the Massachusetts convention adjourned there were only about 25 persons left in the room, but an hour before most of the delegates were present.

In contrast to many conventions this fall, politics was kept out of all discussions and the program stayed strictly on an insurance road.

Commissioners' Meeting Plans

Jess G. Read, secretary National Association of Insurance Commissioners, announces that J. J. Magrath of the New York insurance department, 80 Centre street, New York City, will be in charge of transportation arrangements for those who plan to attend the meeting at the Arlington Hotel, Hot Springs, Ark., Dec. 7-9.

Persons traveling from New York may use alternative routes via St. Louis or Memphis. The group traveling by way of St. Louis will leave New York Dec. 5, and arrive at Hot Springs at 9:50 the morning of Dec. 7. There will be a layover of 5½ hours in St. Louis, Sunday evening. The train for Memphis will leave at 12:40 the morning of Dec. 6 and arrive at Hot Springs shortly after noon Dec. 7.

Assistant Manager



W. M. FRINK

Announcement is made that W. M. Frink is appointed assistant manager at the New York head office of the Norwich Union Fire, Eagle Fire of New York and Norwich Union Indemnity. Heretofore he has been general agent of the western and southern department. He has been in the business since 1898.

Jottings off the Record at the W. I. B. Muster

The Firemen's was out in full force at the Western Insurance Bureau at White Sulphur Springs with Vice-Presidents W. B. Rearden, Archibald Kemp, H. A. Clark, president of the bureau, Herman Ambros, and L. W. Brown, 2nd vice-presidents.

E. E. Soenke, secretary and manager of the Security of Iowa, is a vice-president of the bureau and a familiar figure at its meetings.

H. M. Giles, president of the Millers National and Bureau treasurer, gave an oral report of the field committee for R. S. Danforth, assistant secretary of his company, who could not be present.

Secretary **F. C. Schad** planned to visit a friend at Winchester, Va., after the meeting.

J. C. Hiestand, secretary Ohio Farmers, was one of those who took advantage of the three White Sulphur courses and the fine weather for a round of golf whenever opportunity afforded.

President **A. F. James** of the Northwestern National and Mrs. James motored from Milwaukee, spending a night at Cincinnati enroute.

The reinsurance companies were represented by **Jesse E. White**, vice-president North Star, and **C. F. Sturkahn**, president of the Russia group.

F. J. Breen, president of the Standard of New Jersey, attended a meeting for the first time in the capacity of president of his company, having been elected to fill the vacancy caused by the death of F. W. Roebeling. Mr. Breen is now getting settled in the east, having been previously stationed in Chicago.

W. E. Wollaege, president of the Concordia, has been in the insurance business 40 years and commutes between Milwaukee and New York. He was accompanied by Mrs. Wollaege.

Ralph Rawlings, president of the Monarch Fire, presided at the Western Sprinkled Risk Association meeting, being president of that organization.

T. C. Moore, vice-president and manager of the Potomac, is an extensive traveler and takes keen delight in a good game of golf.

R. A. Corroon, president of the American Equitable, was host to a family party at the Greenbrier. Representing Corroon & Reynolds were Secretaries H. J. Thomsen and R. R. Wilde. Mr. Thomsen and T. C. Moore of the Potomac exchanged reminiscences of their experiences in Haiti.

Vice-president **L. P. Tremaine** of the C. V. Meserole group was on hand and was one of the inveterate golfers.

(CONTINUED ON PAGE 41)

COOLING - GRUMME - MUMFORD CO., INC.

General Agents for Indiana:—

American Equitable Assurance Company
New York Fire Insurance Company
Manhattan Underwriters Agency
Standard Insurance Company of New York

Indiana Insurance Company
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Liberal Commissions

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CONSOLIDATED BLDG., INDIANAPOLIS

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Illinois Handbook Published

Breakdown of Fire Companies' Experience By Lines Is Made for the First Time

The Underwriters Handbook of Illinois, published by THE NATIONAL UNDERWRITER, which has just come from the press, is a most complete publication giving the picture of insurance in Illinois.

For 1936, 32,052 agents licenses were issued for fire and casualty companies, compared with 31,221 for 1935. Stock fire licenses for 1936 were 19,637 compared with 19,812 in the previous year. There were 1,250 mutual fire companies licensed, compared with 893; the stock casualty were 8,656 compared with 8,248 and the mutual casualty 2,509 compared with 2,268. While the handbook gives the complete list of life insurance agents in the state, data is not available at this time as to the number of licenses received but it is safe to estimate that there is a decline in the number of licenses due to the drive to cut out the number of part-timers, a tendency noted in the publication of other National Underwriter hand-books.

New Feature Incorporated

A new feature of the Underwriters Handbook of Illinois is that in giving the "Record of Insurance in Illinois" the figures of the fire insurance companies have been amplified to show the classification of the previous year's business by lines of insurance written as well as total premiums and losses. In 1935, according to the new Illinois Handbook, the fire companies received in premiums \$53,396,621 compared with \$50,924,534 in 1934 and losses decreased greatly, from \$22,590,406 to \$15,569,559.

Of the premiums, \$41,285,439 was fire or windstorm business, \$7,251,962 automobile, and the balance of \$4,859,220 miscellaneous lines.

The casualty business likewise showed a large increase, premiums jumping from \$61,324,862 in 1934 to \$67,392,683 in 1935; losses showing only very slight increase from \$28,716,124 to \$28,985,643. Life insurance in force in the state now totals \$8,121,848,118 a slight increase from the previous year's total of \$7,902,117,894.

This new handbook gives the complete list of insurance agents licensed to operate in Illinois, together with the companies which they represent.

All branches are covered, fire, casualty and life. Also given is a complete list of companies transacting business in the state, together with their field men and, for cross reference purposes, a list of field men, general agents and managers is arranged alphabetically. Separate lists are given on the attorneys, adjusters, hotels and other miscellaneous information of value to insurance men.

All in all, the Underwriters Handbook of Illinois is most complete and up-to-date and of great interest to insurance men in the state.

Its companion publication, the Underwriters Handbook of Chicago, gives complete information on Chicago and Cook County, the Illinois Handbook being devoted to the remainder of the state although some information is given regarding Chicago. Both of these books are published by THE NATIONAL UNDERWRITER.

Palmer Tells Intentions

In the annual report of Insurance Director Palmer of Illinois as of June 30, 1936, announcement is made that a complete insurance code bill will be pre-

sented to the next legislature. A definite program has been worked out so that the laws may be put into force without delay if they are passed. The code that Mr. Palmer first presented was defeated in its entirety on two occasions but he states that several important portions of it were adopted.

Although the report was issued as of June 30, Mr. Palmer treats the fire insurance rate controversy which was not settled until this fall. He referred to the fact that the department ordered a 10 percent rate reduction on dwelling risks throughout the state; that most of the companies brought an injunction suit and that a settlement was finally effected by the companies cutting rates 5 percent.

The investigation into rates is being continued to include the more important coverages, he declared, by requiring the filing of experience figures which will give the department full information regarding the whole matter of rates. Never before, he said, has the department had any data that would enable it to determine whether insurance premiums were excessive or fair and reasonable. A rate regulation and anti-discrimination law has been prepared for submission to the next session of the legislature, he declared.

O'Connell Michigan Actuary

LANSING, MICH., Oct. 28.—Walter O'Connell, assistant actuary of the Michigan department, has been advanced to actuary. He has been with the department eight years, the past four as assistant actuary. For the past year no one has held the title of actuary although Mr. O'Connell assumed most of the duties following the shift of J. E. Reault, who was also chief examiner, to second deputy commissioner. Mr. Reault recently resigned the latter office to go with the Macabees. W. C. Conley, who has been with the department for about a year, has been named assistant actuary. His earlier accounting experience was with the tax division of the auditor general's department.

Plea for Free Department Tax

LINCOLN, NEB., Oct. 28.—Omaha attorneys representing 250 members of the Omaha fire department, have asked the Nebraska supreme court to sustain the 1935 law levying a 2 percent tax on premiums collected by fire insurance companies, incorporated cities and villages in the state. In the suit brought by the Continental, the district court found the law invalid and defective in many respects, but the Omaha attorneys insist that in all respects it is a valid enactment.

Vernor Talks to Women

GRAND RAPIDS, MICH.—Oct. 28.—R. E. Vernor, Western Actuarial Bureau, Chicago, spoke at a meeting here for women sponsored by the home division of the Grand Rapids Safety Council, on "Burning Up Your Home."

Honor Lieutenant Smith

Over 30 stock fire company men and local agents paid Lieut. George W. Smith of the Detroit arson squad a surprise party in recognition of his completion of 15 years in charge of the organization. Albert J. Knaak, state agent Connecticut Fire, acted as toastmaster. J. M. Ferris, state agent St. Paul Fire & Marine, read a testimonial to Mr. Smith. In behalf of those in attendance William T. Benallack, secretary Michigan Fire & Marine, presented Lieutenant Smith with a watch. The local agents were represented by George W. Carter, presi-

dent of the Detroit Insurance Agency. L. J. Gilmour, Wayne county manager America Fire, Harold F. Johnston, general adjuster of the Western Adjustment and Joseph W. Beck, state agent of Northern of New York, spoke.

Opens Branch in Dayton

A branch has been established at Dayton, O., by the Underwriters Adjusting in charge of F. G. Wolf, formerly Louisville manager. The Dayton territory until now has been supervised from Cincinnati. Mr. Wolf has been connected with Underwriters Adjusting 15 years, for eight years being Louisville manager. He is an experienced adjuster and favorably known. The Dayton office is located in the Mutual Home building. A successor to Mr. Wolf at Louisville has not yet been appointed.

Insurers Would Buy Textbooks

W. A. Huxman, Democratic candidate for governor in Kansas, has, as one of his planks, free textbooks for the school children. He proposes that the purchase of these books be financed by a tax upon insurance companies.

Loss \$7,000, Verdict \$75,000

Judgment of \$75,000 plus interest at 7 percent was awarded by a federal court jury in Omaha to the Nebraska Storage Warehouses on account of a fire in 1932 which caused actual loss of only about \$7,000. The valued policy law was injected into the litigation due to the fact that condemnation proceedings were instituted against the property following the fire. The verdict was for the full amount of the insurance which was \$75,000. The building involved was at Eleventh and Douglas streets, Omaha.

Wisconsin Mutuals to Meet

The annual convention of the Wisconsin State Association of Mutual Insurance Companies will be held at the Schroeder Hotel, Milwaukee, Nov. 9-10. About 200 mutual agents and company officials are expected to attend. The officers are: President, Henry Weibrecht, secretary Badger Mutual Fire, Milwaukee; vice-president, A. C. Fuge, secretary West Bend Mutual Fire, West Bend, Wis.; secretary, T. R. Schmidt Kewaskum, Wis.

Michigan Regional Meetings

The Michigan Association of Insurance Agents has announced the places for its regional meetings. The dates set are within the week designated, the exact day and time to be fixed by the local boards. The places are as follows: Bay City, Nov. 16; Traverse City, Nov. 30; Jackson, Dec. 14; Pontiac, Jan. 4; Kalamazoo, Jan. 18; Grand Rapids, Jan. 25; Lansing, Feb. 5.

Erickson Minnesota Deputy

ST. PAUL, Oct. 28.—J. J. Erickson, Duluth, has been appointed deputy insurance commissioner and deputy fire marshal of Minnesota to succeed Dewey Johnson, resigned.

Kansas Fire Prevention Contests

Bette Snyder, daughter of Howard Snyder of Smith, Stone & Snyder, former president of the Wichita Insurers, won second prize in the high school division Fire Prevention Week poster contest sponsored by Dulaney, Johnston & Priest in cooperation with the fire prevention committee of the Wichita Chamber of Commerce.

Sam F. Woolard, veteran Kansas state agent of the American Central, and R. D. Lathan, North America state agent, were judges in the annual Fire Prevention Week essay contest of the Case & Son agency of Marion, Kan. Alex Case of the agency con-

ducted the contest this year, as his father was attending the Pittsburgh meeting of the National Association of Insurance Agents at the time.

B. T. Duffey Honored

In recognition of his 35 years of service with the Royal, B. T. Duffey, local manager in Cleveland, was recipient of a testimonial luncheon in that city Oct. 20. In addition, E. W. Hotchkiss, western manager of company, presented Mr. Duffey with a more substantial token of esteem.

Des Moines Ban on Fireworks

DES MOINES, Oct. 28.—The city council by ordinance has placed a perpetual ban on the sale of fireworks. The only exception is that the council may give permission for properly supervised fireworks exhibitions, approved by the city fire marshal.

Retail sale of fireworks or pyrotechnics and shooting of fireworks by individuals is forbidden. All so-called harmless fireworks such as "sparklers," parade torches, likewise are forbidden.

Reelect in Minneapolis

MINNEAPOLIS, Oct. 28.—A. B. Caswell has been reelected president of the Minneapolis Underwriters Association. Other officers named were: Vice-president, W. J. Kelley; secretary-treasurer, L. C. Hatlestad; manager, P. H. Ware.

Yetka Urges Qualification Law

Insurance agents of Minnesota would be wise to draft an agents' qualification law and see that it is passed rather than have one forced upon them by outsiders, Commissioner Yetka declared in addressing the meeting of the Southern Minnesota Regional Association at Rochester. He stressed the importance of the service rendered by the insurance agent.

Conceding that there are many agents who maintain high standards in their business, Commissioner Yetka said there are too many others who feel that they do not need to give an accounting. For this reason, he added, there are many persons who do not have adequate insurance coverage.

Preston National Councillor

MINNEAPOLIS, Oct. 28.—Frank S. Preston, Minneapolis, former president of the Minnesota Association of Insurance Agents has been elected national councillor to succeed Charles F. Liscomb of Duluth. The executive committee of the state association felt that Mr. Liscomb's new post as chairman of the executive committee of the National association would require so much of his time that he could not be expected to act as Minnesota councillor also. The executive committee discussed the bank agency situation in Minnesota but took no action on the matter.

Sterling Being Promoted

It is expected that the Sterling Insurance Company of Columbus, O., which has been incorporated, will complete its organization by Jan. 1. It has an authorized capital of \$100,000. The par value of the shares is \$100 each which will be sold at a premium of 50 percent.

Iowa Committee Named

SIOUX CITY, IA., Oct. 28.—Harry P. Pratt, president Iowa Association of Insurance Agents, has announced committees for the year. The executive committee, elected at the Davenport Convention, includes: R. W. Forshay, Anita, chairman; Frank Hendricks,

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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Former vice-president and general counsel of Associated Indemnity Corp. and Associated Fire & Marine Ins. Co., San Francisco.

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Refer to any insurance office in San Francisco. Aetna, Continental, Caledonian, Home, Home Indemnity. Others on request.

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Delaware Trust Building
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Specializing in Insurance and Corporation matters.

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Atlanta, Georgia

Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases State and Federal courts, Western Georgia.

BRYAN, MIDDLEBROOKS & CARTER

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Citizens & Southern National Bank Building

Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in Georgia.

Hitch, Denmark & Lovett

17 Drayton Street
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Representing American Surety Co. of N. Y., New York Cas. Co., Continental Cas. Co., National Surety Corp., and numerous others.
Equipped for investigations, adjustments, settlement of claims, and trial of all insurance cases in State and Federal Courts in Southern District of Georgia.

IDAHO

MARTIN & MARTIN

500-500 Idaho Building
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Fireman's Fund Insurance Company; Loyalty Group; Ohio Casualty Insurance Company and others.
Equipped for investigation, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Southern Idaho.

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OTTO E. McCUTCHEON

208 Salisbury Building
Idaho Falls, Idaho

Standard Accident of Detroit, Fidelity & Deposit and others.
Investigations, adjustments, and trial of all insurance cases in State and Federal Courts—Northeastern Idaho.

JONES, POMEROY & JONES

Central Building
Pocatello, Idaho

Loyalty Group, Central Surety & Insurance, Kansas City, and General Group, Seattle.
Equipped for investigations and trial of all insurance cases, State and Federal Courts, Southeastern Idaho.

CHAPMAN & CHAPMAN

Burkholder Building
Twin Falls, Idaho

General Group of Seattle, Hartford Accident & Indemnity and others on request.
Equipped for investigations and trial work in State and Federal courts in south central Idaho.

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Silber, Clausen, Hirsh & Woley

Attorney & Counselors
208 South La Salle Street

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Special Attention to the Law of
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LORD, LLOYD & BISSELL

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Insurance defense—Casualty, Surety, Life & Fire Lines.

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8th Floor Central National Bank Bldg.
Peoria, Illinois

Trial of Insurance cases: representing MARYLAND, FIDELITY & CASUALTY ROYAL, GLOBE, EAGLE, BANKERS INDEMNITY AND OTHERS.

JOHN M. MITCHEM

101 South Broadway
Urbana, Illinois

OHIO CASUALTY

Equipped for investigation and adjustment of claims.

INDIANA

HENRY & FUNK

Investigations—Adjustments—Trial Work

References on Request

501-7—130 E. WASHINGTON BLDG.

INDIANAPOLIS

Slymaker, Merrell & Locke

Attorneys specializing in All Phases of
Fire, Marine, Life & Casualty

Insurance Litigation

751-700 Consolidated Building

INDIANAPOLIS

INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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915 Merchants Bank Building
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PRICE, RIDER & KEEFE

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623 Davidson Building
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Equipped for investigations, settlement of claims, all insurance cases in State and Federal Courts.

KANSAS

TINCHER, RALEIGH & CUSHENBERRY

301-302 First National Bank Building
Hutchinson, Kansas

Insurance Companies represented: National Union Indemnity Co., Ocean Accident and Indemnity Co., Columbia Casualty Co., Metropolitan Casualty Ins. Co. (Loyalty Group), Commercial Casualty Co. Investigations, Adjustment and defense trial work.

KELLER, MALCOLM & BURNETT

204-206 National Bank Building
Pittsburg, Kansas

Counsel for: Aetna Group, Employers Group, Standard Accident, Central Surety, United States Fire, Fireman's Fund and others. Equipped for Trial of Cases, Investigations and Adjustments over Southwestern Kansas.

NORRIS, SMITH & JENKINS

Public Utility Bldg.
Salina, Kansas

Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others. Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

Doran, Kline, Colmery, Cosgrove

903 National Bank of Topeka Bldg.
Topeka, Kansas

Equipped for investigation, adjustment, settlement and trial of Insurance business of all kinds in Kansas.

BLOOD & PROSSER

402 Schweiler Building
Wichita, Kansas

General Counsel Santa Fe Trail System, Traders & General, American Fidelity and others. Investigations, adjustment of claims, and trial work Southwestern and Southwestern Kansas.

KENTUCKY

Davis, Boehl, Viser and Marcus

(Blakey, Davis and Lewis)

Kentucky Home Life Building
Louisville, Kentucky

Investigations, Adjustments and Trial of all Insurance Cases.

Woodward, Dawson & Hobson

Insurance Attorneys

615-24 Inter-Southern Bldg.
Louisville, Kentucky

LOUISIANA

COBB & JONES

840 Canal Bank Building
New Orleans, La.

General Counsel for Pan-American Petroleum & Transport Company and Fenick & Ford, Inc., in southern states. Specializing in casualty and surety. Trial of all cases in State and Federal courts.

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WALTER L. CLARK

Russel C. Thomson
Clater W. Smith

Baltimore Trust Building
BALTIMORE - MARYLAND

MASSACHUSETTS

CRYAN, SHAW AND BRADLEY

33 Broad Street
Boston, Massachusetts

Counsel for numerous insurance companies. Names given on request. Equipped for investigation, adjustment and trial of all insurance cases in State and Federal Courts.

MILTON J. DONOVAN

31 Elm Street

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Fire Companies Adjustment Bureau, Inc. Trial of all insurance cases including casualty, fire and surety in State and Federal Courts.

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SEABORG & RICE

Attorneys and Counselors

827 Penobscot Building

Detroit, Michigan

Randolph 5160

SCHULZ and KAY

Attorneys at Law

General Insurance Litigation Workmen's Compensation Trial Work

Technologist Service

Equipped to handle claims and investigations
David Stott Building Telephone
Detroit, Michigan Cherry 0816

EARL P. TROBERT

405-6 Dryden Building

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Phoenix Indemnity Company, Zurich-General Accident & Liability Insurance Company, Western Adjustment & Inspection Company and others.

NORRIS, McPHERSON, HARRINGTON & WAER

1107 Peoples Bank Building
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Jackson, Michigan

Represent: Zurich, London & Lancashire, Western & Southern, Provident Life & Accident, Michigan Mutual, Ohio Casualty, Citizens Mutual and others. Investigations and adjustments in central and southern Michigan. Trial of all insurance cases.

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Equipped for investigations, adjustments, settlement of claims and trial of insurance cases in Northeastern Michigan.

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Investigations, adjustments, and settlement of claims.
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Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases in State and Federal Courts in Eastern Mississippi.

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American Surety Company; New York Casualty Company; Sun Indemnity Company. Equipped for investigations, adjustments, trial of all insurance cases in Butte, Helena and western Montana.

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414 Strain Building
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Standard Accident Company of Detroit, All-State Insurance Company, Chicago. Others on request.

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Massachusetts Bonding & Insurance Company—others on request. Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases in State and Federal Courts in Central Nebraska.

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INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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OHIO (Cont.)

JOHN H. McNEAL

and
HARLEY J. McNEAL
582 Auditorium Bldg., 1387 E. 8th St.
Phone Main 1928 CLEVELAND
Attorneys-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio.

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Representing Standard Accident, Massachusetts Bonding and others.
Investigations, adjustments, trial of all insurance cases.

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Masonic Building
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Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

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600-603 Union National Bank Building
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504-508 Braniff Building
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Suite 1220 Spalding Building
Henry E. Collier John A. Collier
E. F. Bernard
Portland, Oregon

DEY, HAMPSON & NELSON

800 Pacific Building
Portland, Oregon
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SHEPPARD & PHILLIPS

1208 Public Service Bldg.
Portland, Oregon
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Trial of all cases.
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Theodore M. Bailey Roswell Bottoms
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BAILEY-GLIDDEN BUILDING
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INSURANCE PRACTICE

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American Trust Building
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Equipped for investigations, adjustments, trial of all insurance cases in State and Federal courts in Central Tennessee.

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WAGSTAFF, HARWELL WAGSTAFF & DOUTHIT

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Abilene, Texas
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TEXAS (Cont.)

HART, PATTERSON AND HART

824-830 Littlefield Building
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Equipped for adjustments in Central Texas and trial work in all courts—State and Federal.

KING & RIENSTRA

286 Gilberts Building
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Representing Employers Group, Boston, others on request.
Trial of all insurance cases State and Federal Courts Eastern District of Texas.
Equipped for investigations.

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References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
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Equipped for Investigation and Claims

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Citizens State Bank Building
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United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of all insurance cases and oil cases.

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First National Bank Building
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Edward B. Boyles
Norman Atkinson
M. S. McCordoch
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SIMMONS & ARNOLD

824-29 First National Bank Building
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New Amsterdam Cas. Co., Allemans Fire of Pittsburgh, Cravens-Dargan, American Central Fire, St. Paul Fire & Marine.

(Continued next page)

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Trial of all insurance cases in all courts. Equipped for Investigations—Adjustments—Settlement of claims in plain Country.

BIRKHEAD, BECKMANN, STANARD & VANCE
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San Antonio, Texas

JOHN McGLASSON
608-9 Amicable Building
Waco, Texas
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UTAH

Stewart, Stewart & Carter
1105 Continental Bank Building
Salt Lake City, Utah
Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

VIRGINIA

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241-244 Law Building
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Equipped for investigation, adjustments and trial work.

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New York Life, Maryland Casualty, American Surety Co.
Equipped for investigations, trial of all cases, State and Federal Courts and Commissions.

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Trial of all insurance cases in State and Federal Courts in western Washington.

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Tyre H. Hollander
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BONSTED & NICHOSON
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Loyalty Group, Pacific Indemnity, & others on request. Equipped for investigation and adjustments, trial of all insurance cases in federal and state courts.

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PAYNE, MINOR, RAY, MAIER & DAVIS
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Equipped for investigation and adjustment. Trial of insurance cases in all courts.

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Equipped for adjustments, investigations and trial of cases.

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Equipped for investigations and adjustments. Trial of all cases in State and Federal Courts and before commissions.

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We will appreciate it if you will mention The National Underwriter when writing advertisers.

Council Bluffs; B. L. Holton, Waterloo, and Ludwig Rubek, Cedar Rapids. Chairmen of appointed committees are: Legislative, Max L. Holmes, Des Moines; Membership, John S. Cutter, Shenandoah; Local Board, C. Arthur Ruhl, Davenport; farm, R. E. McCauley, chairman, Atlantic; grievance, R. M. Evans, Des Moines; fire-prevention, T. A. Pickens, Jr., Newton; accident prevention, R. E. Finlayson, Mason City.

No Losses on Wichita Exposition

The Kansas Diamond Jubilee Exposition in Wichita was insured jointly by four agencies which were among the guarantors of the exposition. Public liability, workmen's compensation, hold-up and fire and tornado were written but no losses were reported.

Kansas Agents on Deer Hunt

A. E. Smoll and Elmer C. Beazley, Wichita agents, are spending this week in New Mexico with a deer hunting party. Herbert C. Barrett, Anthony, Kan., agent, is with another party of deer hunters in the mountains of New Mexico. Mr. Smoll has made such a trip for several years, generally returning with a nice bag.

Change in Tiffin, O., Agency

Noah D. Myers of Tiffin, O., has purchased the interest of his partner Miss Mary Bogart, in the insurance firm of Bogart & Myers, and will operate it for the present under the same firm name. The office is an old established one, having been formed in 1891 by E. C. Smith. Mr. Myers became identified with the business in 1922. Miss Bogart, who besides being a member of the firm was also district secretary of the sixth district of the Ohio Association of Insurance Agents, was married recently to H. E. Biller of Sandusky, O.

Schools for Missouri Agents

KANSAS CITY, Oct. 28.—The Business Development Office program in Missouri will get under way with a school for agents at Lebanon and one at Jefferson City.

Illinois Loss 50% Higher

The fire loss in Illinois for the year ending June 30, 1936, is estimated at \$12,755,129 in the annual report of State Fire Marshal S. V. Coultas. There were 17,920 fires during the period. The previous 12 months the loss was \$8,549,703 and the number of fires 14,045.

The fire loss in Chicago for the year ending June 30, 1936, was \$2,011,084 and downstate it was \$10,744,045.

During the year there were 53 arson convictions, of which 25 were in Cook county. The professional arson rings, the fire marshal stated, have been broken up by convictions with the result that large scale arson activities have ceased. Those now evident are of the sporadic variety.

Detroit Regional Meeting

DETROIT, Oct. 28.—More than 300 agents and field men attended the Michigan Association of Insurance Agents regional meeting, combined with that of the Detroit Association of Insurance Agents. W. A. Doyle of Highland Park, past local president and member of the state governing committee, presided.

W. S. Ellis, Chicago, Royal-Liverpool groups and C. H. Metzner, Detroit, state agent Phoenix of Hartford, were the principal speakers. Others

GET new business • RENEW old business • DISARM competition
How? Ask about
The Fire, Casualty & Surety Bulletins
420 East Fourth Street • Cincinnati, Ohio

who also talked were J. M. Crosby, Jr., Grand Rapids, state president; J. W. Mundus, Ann Arbor, past president, and G. W. Carter, Detroit, national councillor.

This was the first of a series of regional meetings that will be held throughout Michigan. In the absence of Clyde B. Smith, Lansing, chairman laws and legislation committee, Mr. Crosby reported on legislative matters.

Wichita Insurers' Meeting

WICHITA, Oct. 28.—Frank T. Priest and Byron S. Chapell will report on the Pittsburgh meeting of the National Association of Insurance Agents at this week's meeting of the Wichita Insurers. George M. Montgomery, Wichita manager Western Adjustment, will discuss various complications encountered in the adjustment of losses

under the supplemental contract, especially where non-concurrences were found to exist.

Agency Opens Life Department

The Dawson-Shauman Agency, Pontiac, Mich., has opened a life department and has been appointed general agent of the Columbian National Life. The life department will be supervised by J. M. Cooper, formerly of Detroit.

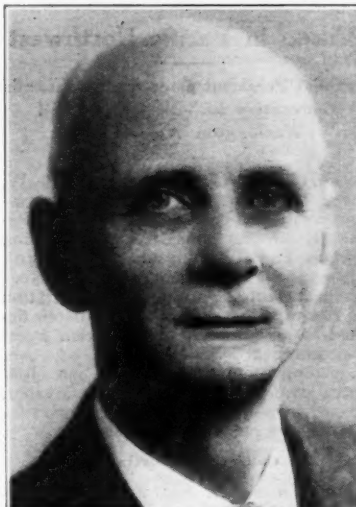
Middle West Notes

The Century states that it is not represented in the agency of **Bartling, Inc.**, Kansas City, Mo.

Drennan & Seldon, Detroit insurance and real estate agents, have opened a second new branch office at 16322 Mack avenue. Roy E. Bailey is in charge.

A. W. Kirst, 60, in the insurance business for many years, and the last five years head of the Kirst-Klawin Agency, Oshkosh, Wis., died there of heart trouble.

Vice-President



JOHN J. MOFFETT, Muskogee, Okla.

John J. Moffett of Muskogee, Okla., becomes vice-president and executive committee chairman of the Oklahoma Association of Insurers. He is head of the Moffett-Duncan-Nichols Agency, which is one of the largest in his section of the state.

tuals were too highly favored. Coverage in the amount of \$258,855 has been placed with three mutuals compared to a total of \$338,000 carried with all companies. The protest was made by E. A. Stanley of Little Rock. He also contended that the board does not have the power to enter into three year contracts for insurance or any other purpose.

Mrs. McGilton Is President

The Woman's Insurance Auxiliary of Nashville at its annual meeting re-elected Mrs. Leon McGilton, wife of the state agent of the American, president. Other officers elected were: Vice-president, Mrs. Henry McCall; chairman sunshine committee, Mrs. Hilyard Paschall; secretary, Mrs. Everett Bethshares; treasurer, Mrs. George Frank.

Inspect Oklahoma Schools

OKLAHOMA CITY, Oct. 28.—An inspection is being launched by State Fire Marshal Theimer to include all schools of Oklahoma county. Buildings will be carefully checked for fire hazards, which will be ordered eliminated as soon as possible.

Incorporate Oklahoma Exchanges

Insurers' exchanges of Oklahoma are rapidly completing plans for 100 percent efficiency in operation. Four more have just been chartered: The Guthrie Insurers Exchange, with A. B. Armstrong, E. L. Hirschi and Anna Owens as incorporators; Ponca City Exchange, C. P. Broadbuss, Clifford Wetzel and Roy E. Stephenson; Henryetta, T. V. Dollins, C. R. Lawyer and H. C. Wynne, and Okmulgee, Ben Harned, O. A. Garner and John L. Allen.

Approve Virginia Rate Changes

RICHMOND, Oct. 28.—Two new rate schedules providing reduction in rates, submitted by E. W. Spencer, manager Virginia rating bureau, have been approved by the corporation commission. One applies to tornado and windstorm coverage and the other to simple explosion, riot and civil commotion, full war coverage, aircraft and motor vehicle property damage and earthquake coverage.

IN THE SOUTHERN STATES

All Officers Are Relected by Louisiana Rating Bureau

NEW ORLEANS, Oct. 28.—At the annual meeting of the Louisiana Rating & Fire Prevention Bureau, all officers were re-elected: E. J. Sullivan, Commercial Union, president; J. L. DeTreville, St. Paul Fire & Marine, vice-president; Rush P. Strong, secretary-manager.

The principal action taken was the reduction of the board of directors from 15 to 12, the former number being considered unwieldy. Two new members were elected to fill expiring terms: Herman Holland, Shreveport, and H. G. Spaulding, New Orleans. Holdovers are: C. E. Farrell, F. M. Malone, Carl E. Hancock, R. U. Wright, R. M. Pons, H. B. Edwards, Douglas Watson, H. A. Steckler, John X. Wegmann and R. H. Colcock.

Secretary-Manager Strong in his report called attention to the increased demands for rating and inspections and the additional taxes which must be provided for. The federal social security act will call for payment early in 1937 of a tax of 1 percent on salaries paid in 1936. Furthermore, a state and city sales tax aggregating 4 per cent must be paid on purchases of supplies and office equipment during the entire fiscal year. If this tax is held to apply also to printing, the amount will bear heavily on the operating fund. "Unless the 1936 premium income proves to be greatly in excess of that for 1935, which does not at present seem probable," he said, "these and other increased demands on the operating fund can only be met by increased assessment."

Reports on Danville, Va.

The gross fire loss for the past five years in Danville, Va., was \$139,486, according to the report on that place just published by the National Board. The average loss per fire was \$328 and the average annual loss per capita \$1.12.

The water supply works are declared to be adequate but with some unreliable features; quantities available in congested value districts are poor to good; elsewhere fair to good. The fire department is thoroughly well equipped but seriously undermanned. The fire alarm system is mainly adequate but with unreliable features.

Fire resistively weak construction, excessive areas and hazardous occupancies, and undermanned fire department and some narrow streets make serious

spreading fires highly probable in the mercantile section of the congested value district. Extensive sprinkler protection lessens probability of fires in the wholesale and the tobacco storage warehouse section, but the potential hazard is severe in a few places, especially where the water supply is weak.

Most of the cotton mills and tobacco storage warehouses outside the district have good private fire protection.

San Antonio Agents Meet

At the luncheon meeting of the San Antonio Insurance Exchange, Secretary F. F. Ludolph made his report on the Pittsburgh convention. He described the insurance situation in Texas as it affects stock companies and local agents as in a more healthful condition than in other parts of the country.

The reinstatement of the Pat J. Morris Company agency was voted upon favorably when announcement was made the suspended agency had complied with the Exchange rules.

Joint Committee Confers

NEW ORLEANS, Oct. 28.—Preliminary meeting of the joint committee of field men and the members of the Louisiana Insurance Society to work in conjunction with the Business Development Office was held here. The committee of field men is composed of R. M. Pons, chairman; J. L. DeTreville, H. B. Edwards and H. M. Holland, while the agent members are C. P. Gould, chairman; L. A. Williams, R. C. Bolton and A. N. Dreyfuss.

S. E. U. A. Meeting

The semi-annual meeting of the Southeastern Underwriters Association will be held at Pinehurst, N. C., Nov. 7-11. The executive committee will meet the first three days and the association proper Nov. 11.

Name Birmingham Fire Marshal

BIRMINGHAM, ALA., Oct. 28.—The city of Birmingham took two steps this week which will likely result eventually in lower fire insurance rates. A full time fire marshal was appointed and uniform electrical code recommended by the National Board was adopted.

S. E. Williams, a city fireman since 1922 and a graduate of the St. Louis fire college, was appointed fire marshal and an ordinance passed defining his duties. He will cooperate with the state fire marshal and with agents of the National Board.

Objects to Mutual Coverage

Protest has been filed by a trustee of the Arkansas school for the deaf with the ex-officio chairman of the board, against insurance contracts recently entered into on the ground that the mu-

DIRECTORY OF LEADING LOCAL AGENTS

ILLINOIS

CRITCHELL, MILLER, WHITNEY & BARBOUR

Established 1868

Insurance Exchange Building
CHICAGO

Eliel and Loeb Company

Insurance Exchange

Chicago

FRED. S. JAMES & CO.

Established 1872

Insurance Exchange Building
Chicago

LOUISIANA

LEON IRWIN & CO., Inc.

Unexcelled Insurance Facilities
NEW ORLEANS, LA.

MICHIGAN

Detroit Insurance Agency

G. W. Carter, Pres.

H. L. Newman, Vice-Pres.

Louis J. Lepper, Sec.-Treas.

Fisher Bldg.

Detroit, Mich.

MISSOURI

Lawton-Byrne-Bruner

INSURANCE
Saint Louis

NEW YORK

CENTRAL FIRE AGENCY, INC. (Underwriting Agency)

Risks accepted throughout the United States, Canada, Cuba and Porto Rico
92 William Street, New York City

OHIO

Walter P. Dolle & Co.

"Insures Anything Insurable"

Dixie Terminal Bldg.
CINCINNATI

Submit Your Propositions to Us

WEST VIRGINIA

J. F. Paull & Company

GENERAL AGENTS

Rooms 508-9-10 Board of Trade Bldg.
Wheeling, W. Va.

Ohio, Pennsylvania and West Va.
Business Solicited

WISCONSIN

Chris Schroeder & Son Co.

86 Michigan St. MILWAUKEE

Engineering Service—All Lines

The largest insurance agency in the State of Wisconsin

Reduce Insurance Rates

Recommend

JUSTRITE OILY WASTE
AND SAFETY CANS

Approved and Labeled by the Underwriters Laboratories and Associated Factories Mutual Insurance Co.
JUSTRITE MANUFACTURING COMPANY
200 SOUTHPORT AVE. CHICAGO, ILL.

PACIFIC COAST AND MOUNTAIN

Charles Brough's Good Work

Gets Revised Schedule and Better Protection for the Harbor Properties at Long Beach

A number of Chicago and western insurance men have been interested in the work of Charles Brough, well known local agent of Los Angeles, and insurance adviser of its board of harbor commissioners, in getting the re-rating of the insurance and protecting the property of the Long Beach harbor under a revised schedule. Mr. Brough from 1904 to 1914 was connected with the Chicago local agency of Witkowsky & Affeld when Allan I. Wolff, now local agent in that city and former president of the National Association of Insurance Agents, was counter man. From 1914 to 1924 Mr. Brough was a field man in Missouri with headquarters at Kansas City. He went to Los Angeles in 1925 to enter the agency business on his own account.

In addition to developing his own business he is insurance adviser for the harbors commission of Los Angeles. During the last five years he has been chairman of the harbor insurance committee of the Los Angeles Insurance Exchange. The new schedule for Long Beach provides for complete fire coverage and supplemental, covering windstorm, hail, explosion, aircraft, riot and civil commotion, excluding sprinkler leakage for five years. The insurance amounts to \$634,185 as compared with \$250,000 previously. The Long Beach Association of Insurance Agents is named as broker, the commissions are to be divided equally between its members and an advisory committee is to be named to handle the details. Full insurance to value is carried.

Pierce County Agents Elect

TACOMA, WASH., Oct. 28.—The Pierce County Agents' Association at its annual meeting here named L. D. Mitchell, president; Alva Roberts, vice president, and Harold Mann, secretary-treasurer. J. J. Martin, J. F. Hall, C. A. Bell and R. E. Mahaffey are the new directors.

Do You

Do you cry into your chowder? Of course not, for it simply isn't done; but every agent has moments when he feels as if the whole world were against him--and it's then that he appreciates the opportunity to confide in his company's officers. We have listened to quite a few agents discuss their problems; and we have learned many of the answers. These answers are relayed to our other agents when necessary. We can help you too--if you are eligible to become one of our agents.

SINCE 1854

THE PHOENIX INSURANCE COMPANY
OF HARTFORD, CONNECTICUT

Cash Capital, . . . \$6,000,000.00
Surplus to Policyholders, \$30,839,324.64

Wilson in Pacific Northwest

National President Goes from California Convention to Visit Oregon and Washington Associations

SEATTLE, Oct. 28.—President W. Owen Wilson of the National Association of Insurance Agents is in the Pacific Northwest this week addressing Oregon and Washington agents. Following his appearance at the San Jose convention of the California Association of Insurance Agents, Mr. Wilson decided to accept invitations to visit Portland and Seattle.

Accompanying him from San Jose were Mrs. Wilson and Irwin Mesher, executive secretary of the Insurance Agents League of Washington.

Confers in Portland

Mr. Wilson left San Francisco Monday evening and spent Wednesday conferring with the officers of the Oregon association at Portland, where a luncheon meeting for members of the association was held at that time. He then came to Seattle, and is addressing a big agents rally in the form of a luncheon meeting Thursday at the Washington Athletic Club. The Washington agents made elaborate plans for a representative meeting when they learned that President Wilson had decided to come to the northwest. Some 250 agents and company men are expected to greet Mr. Wilson.

Mr. Wilson's decision to meet the agents of the Pacific Northwest was made for the purpose of becoming more intimately acquainted with the problems of the organized agents in that section. The Washington agents were particularly enthused over his visit, because it means that both Mr. Wilson and Charles F. Liscomb of Duluth, chairman of the National association's executive committee, will be close to the Washington association.

Mr. Liscomb was the headliner at the Washington convention in 1934, and has a host of friends here.

Following the Seattle meeting, Mr. and Mrs. Wilson planned to view some of the scenic beauties of the Pacific Northwest before starting for home. It is their first visit to the Pacific Northwest. En route to New York and Richmond, Mr. Wilson plans to stop over in St. Paul to confer with Mr. Liscomb, and possibly to visit one or two state associations in the middle west. He is

Cry Into

Cry into the air and you cry alone; but weep on our shoulder and you get the benefit of knowledge we've gained through helping other agents. The problems of one agent are not greatly different from the problems of another. We may be able to help you if there is an opening in your territory. Write and find out.

SINCE 1850

Connecticut FIRE INSURANCE CO.
OF HARTFORD, CONNECTICUT

Cash Capital, . . . \$2,000,000.00
Surplus to Policyholders, \$15,070,293.55

winding up an extended tour of several states, having left immediately after the Pittsburgh convention.

Adjustment Bureau Expands Service on Pacific Coast

SAN FRANCISCO, Oct. 28.—A branch service office is being established at Eureka, Calif., by the Pacific department of the Fire Companies Adjustment Bureau to handle fire, auto and casualty claims. C. M. Hayes, formerly with the Billings, Mont., office, is in charge.

Additions to the staff of the bureau at various points include W. L. Pearson and E. H. Pflug, Portland, Ore.; C. H. Tandy, Seattle; Kenneth James, Butte; G. S. Osburn, Medford, Ore.; E. B. Hanford, Stockton, Cal.; Fred Radcliffe, Sacramento, Cal.; W. A. Liedenour, Spokane, Wash.; Everett Monger, Billings, Mont.

H. J. Boyle, Pacific department manager, went to Los Angeles with George W. Lilly, general manager of the bureau, who has been in California for several days. After a brief visit in Los Angeles, Mr. Lilly will return to New York.

Discuss Qualification Bill

DENVER, Oct. 28.—The principal topic of discussion at the Denver Association of Insurance Agents first fall meeting was the agents qualification bill. Efforts are being made to get it into final shape for presentation to the legislature the first of the year.

It was decided to continue the co-operative advertising being done by the association as a good-will and prestige building feature. No definite results have been reported from this campaign, but from comments by insurance men and laymen, it is felt the advertisements are creating favorable publicity. There are 25 agencies represented in this campaign.

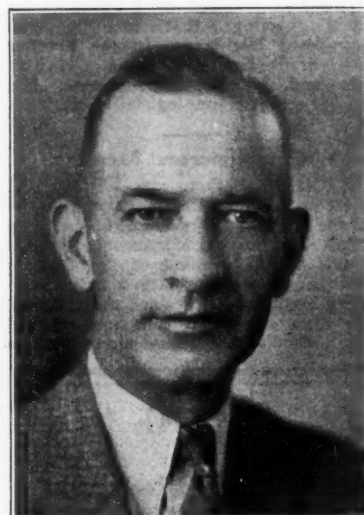
Heavy Loss at San Diego

Estimated insurance loss of from \$600,000 to \$900,000 was incurred in the fire in San Diego, Oct. 21 involving a number of buildings with an estimated property loss in excess of \$1,000,000. The major portion of the loss was on property of the National Dollar Stores and Whitney Company, with the Great American group as the principal carrier.

Agents' Officials Meet Brokers

SAN FRANCISCO, Oct. 28.—W. Owen Wilson, president National Association of Insurance Agents; G. C. Appleton, president; D. B. Goldsmith, vice-president, and Frank Colridge, executive secretary of the California Association, met with the officers and board of governors of the San Francisco Insurance Brokers Exchange Monday for a discussion of problems of

Elected President of California Agents Body



G. C. APPLETON, Fresno

Grover Cleveland Appleton of Fresno, Cal., vice-president of the California Association of Insurance Agents, was elected president at the annual meeting. He has been active in the work for a number of years. For four years he served as president of the Fresno local board. He entered the business in Lewistown, Mont., in 1915 as an agent. Later he moved to Spokane where he became special agent for the old Guerssey-Newton Company general agency representing the Maryland Casualty. Subsequently he joined the Marsh & McLennan general agency as special agent in eastern Washington, Idaho and Montana and in 1920 was transferred to California, traveling the San Joaquin Valley and Nevada also.

He saw the possibilities of local agency work in Fresno and in 1921 resigned his field position to enter the agency business there as a junior member of Knapp-Hunt-Appleton. Two years later the business merged with another agency and the name changed to Sheppard-Knapp-Appleton, Inc. He was born at Crystal, N. D., during the time when Grover Cleveland was president of the United States.

mutual interest between the producing groups.

K. S. Dargan on Coast

Kemp S. Dargan of Cravens, Dargan & Co. and Cravens, Dargan & Fox is visiting the latter's Pacific department headquarters in San Francisco. This is Mr. Dargan's first visit to the California organization since the death of James Cravens.

To Celebrate Bridge Opening

SAN FRANCISCO, Oct. 28.—A special luncheon has been announced for Nov. 5 by Insurance Post 404, American Legion, to fire the first gun celebrating

FACTUAL APPRAISALS

Impartial Valuations
of Industrial and
Commercial Property . . . A
quarter century of factual
appraisal service to Ameri-
ca's more conservative
business institutions.

THE LLOYD-THOMAS CO.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES

APPRAISAL ENGINEERS

4411-15 RAVENSWOOD AVE., CHICAGO

Your Chowder

Your chowder may contain only one clam. We can't put more clams in it but we may be able to help you put more business on your books.

SINCE 1859

FOUTABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.

Cash Capital, . . . \$1,000,000.00
Surplus to Policyholders, \$5,431,263.89

the opening of the San Francisco-Oakland Bay bridge.

E. L. Kelly, state director of public works, is to be a guest speaker and many other state, city and insurance dignitaries will be present.

Snow to San Francisco

A. J. Snow has been transferred to San Francisco headquarters of the Pacific Board as chief electrical engineer succeeding the late C. W. Mitchell, following 12 years service as engineer in the Salt Lake City office of the board,

the last six as chief engineer of the grading and sprinklered risk department.

Coast Notes

Arthur T. Harrison, 39, engineer in the sprinklered risk department of the Pacific Board, died from injuries suffered in an automobile accident.

A. R. Lund & Co., managers Truckman's Insurance Agency, Los Angeles, will hereafter be known as the Lund-Lowerre Company.

W. L. Wrenn and R. A. Higgins, San Francisco brokers, have formed a partnership and in the future will operate as Higgins & Wrenn.

Co., chairman of the board; A. A. Rohrich, American Surety; Charles F. Flaherty, Tener-Lowry Co.; B. F. Davis, Hoover-Diggs Co.

The new board will meet for organization in mid-November and will name officers for the coming year. They will be inducted at a dinner scheduled for December.

Tell Credit Men About Insurance

NEWARK, Oct. 28.—Harold E. Taylor, sales promotion manager of the American of Newark, has been elected chairman of the insurance educational committee of the New Jersey Association of Credit Men. An intensive insurance educational campaign is planned for the fall and winter season and will open with an insurance dinner Nov. 17.

Laurence E. Falls, vice-president American of Newark, will be the guest speaker and will endeavor to point out to credit executives the helpful part which insurance can perform in the discharge of their duties.

To Hold Annual Meetings

The annual meeting of the Rhode Island Association of Insurance Agents will be held at Providence, Nov. 16, and the annual meeting of the Connecticut association will be held at the Taft hotel, New Haven, Nov. 19.

Holyoke Mutual in New Home

The Holyoke Mutual Fire now has a new three-story fireproof concrete home office building in Salem, Mass. C. P. Faunce, dean of mutual men in New England, is president of the company.

P. J. Kane, head of the automobile fire and theft department of Kaler, Carney & Liffier, Boston, died at his home in Wollaston, Mass. He was 55 years of age.

EASTERN STATES ACTIVITIES

Helson Reelected in Maine

Agents Association Devotes Much Time to Discussing Compulsory Automobile Insurance

L. W. Helson was reelected president of the Maine Association of Insurance Agents at the annual meeting in Augusta and C. W. Lovejoy was reelected secretary-treasurer. F. L. Greeno, past president New York Association of Insurance Agents; Howard Starling of the National Bureau of Casualty & Surety Underwriters, and Commissioner Spencer were banquet speakers. Other officers elected are: First vice-president, D. F. Higgins, Bangor; second vice-president, Murdock McKay, Houlton, and third vice-president, H. W. Bigham, Booth Bay Harbor. Walter Ladd of Rockland and Francis Bartlett of Waterville were elected to the executive committee for three years. H. M. Payson of Portland was elected national councillor.

Reviews State Activities

Much of the discussion centered around compulsory automobile insurance. President Helson in his annual report reviewing the association's vigorous opposition to this type of legislation. A Maine coordinating committee on financial responsibility was formed which appointed a sub-committee of three to draft an amendment strengthening the financial responsibility bill. President Helson said it is believed the bill will be strong and to the best interests of both agents and public.

A memorial was read in the executive session to the late Ivan E. Lang, past president and national councillor. It was suggested company men and special agents be admitted as associate members.

Commissioner Spencer Speaks

Commissioner Spencer at the dinner said the Massachusetts compulsory act was not especially good and the Maine financial responsibility law had given as much satisfaction as compulsory liability had elsewhere. Mr. Greeno stressed that the Maine insurance issues were not as local as the agents thought. He suggested they study trends and adapt themselves. Mr. Starling said after nine years of experience under the Massachusetts compulsory liability law every agency in the state will now admit it is a total failure.

Moore Heads Boston Brokers

H. E. Moore, Moore, Olive & Co., was elected president of the Insurance Brokers Association of Massachusetts at the annual meeting at Boston. Secretary is G. M. Neiley and the vice-presidents are H. D. Broderick, Collins Graham, T. R. Sullivan, H. E. Frost and L. H. Hoffman.

E. F. Litchfield, in his presidential address, declared that producers are likely to have more trouble this year than last in placing automobile liability risks. This is due to the fact that reduced rates are in prospect.

"There is cause for serious apprehension on the part of the brokers," he declared, "that there exists a hidden purpose to bring about a further reduc-

tion in broker's commissions, in keeping with the attitude of most companies to grind down the returns to producers while giving up nothing themselves."

The ex-president said the association had filed protests against the practices of the Tower Rating Bureau in reducing commissions on contract bonds.

Pittsburgh Agents Elect

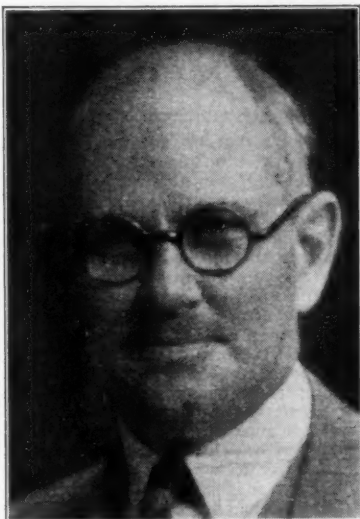
PITTSBURGH, Oct. 28.—The Fire Insurance Agents' Association of Pittsburgh elected officers this week. Harry Lichtenthaler, Freehold Real Estate Co., is president; R. H. Alexander, Hoover-Diggs Co., vice-president; C. H. Alexander, McCandless-Collingwood & Alexander, secretary, and Percy Smith was renamed treasurer, a post he has held for 20 years.

New Pittsburgh Club Directors

PITTSBURGH, Oct. 28.—Four new directors were named Monday by the Insurance Club of Pittsburgh. They are Robert W. Miller, National Union Fire; William Zwinggi, Logue Brothers; Norman W. Brayley, North America; and Perry Jenkins, Hartford Accident.

Four others reelected were Harry Lichtenthaler, Freehold Real Estate

New Agents Association Head in Massachusetts



C. CONRAD PARKER

C. Conrad Parker of Worcester, Mass., the new president of the Massachusetts Association of Insurance Agents, elected at the annual convention in Springfield, entered the Munroe-Ingraham agency in 1914. In 1920 he was made a partner and the agency name became Ingraham-Parker. This agency was established in 1866. Mr. Parker has been in continuous service with the office since 1914, except for a brief period when he was in service during the world war, and then when for six months he worked with the Underwriter's Board of New England. About eight years ago he was president of the Worcester Board.

Motor Insurance Events

See Special Rate for Trailer

Distinct Manual Classification Will Be Set Up When About 10,000 Units Are Insured

NEW YORK, Oct. 28.—Because of the marked increase in the number of automobile trailers and to a lesser degree of automobile homes, fire company men are giving greater attention to both classes of machines than ever before, and the probabilities are a special rate classification will be accorded each.

Thus far the experience on the lines has not been sufficiently broad to warrant any changes from the rates now applied. Underwriters say that not less than 5,000, and preferably 10,000, risks should be analyzed before any special manual classification would be warranted. The loss record of trailers to date has been so severe that a number of companies refuse to consider insuring them, while those accepting the business do so very guardedly.

If the making of trailers be taken up seriously by the large automobile manufacturers, and standards of safety adopted, underwriters believe conditions would be vastly better than those now obtaining, with local carpenters, alley garages, etc., building trailers as they obtain orders, in ignorance of the fire hazards.

While the suggestion that all equipment used in trailer construction be approved by the Underwriters Laboratories is endorsed, managers feel this would but partly prove beneficial in that

ADVERTISE

While you build Good Will

HITS THE SPOT

COLUMBIAN DAILY CALENDARS MAKE FRIENDS AND BUILD BUSINESS

Get double value for your money when you choose this year's Christmas gift. Select a gift that builds good will . . . because good will is a priceless asset. But at the same time . . . make it a gift that ADVERTISES your business. COLUMBIAN DAILY CALENDARS serve this two-fold purpose. At low cost, they give you controlled coverage advertising to your best prospects and customers. And because of their daily usefulness, they are always appreciated. Write today for circular — "Controlled Advertising That Hits The Spot." It's free.

FREE SAMPLES

Ask for samples of insurance advertising—there is no obligation. Or, send 50 cents to cover postage and handling of complete 1937 daily calendar for your own office. (Shown at right). Send for circular, "Controlled Advertising."

TO-DAY IS

1937 JANUARY 1 FRIDAY



WHY

IT PAYS TO BUY

CONTROLLED COVERAGE

- ★ No Expensive Waste Circulation with the Columbian Daily Calendar.
- ★ Goes Direct to Best Prospects.
- ★ Dominant Position—on Office Wall.
- ★ Effective Daily—the Year 'Round.
- ★ Appreciated For Usefulness.
- ★ Gets Results At Low Cost.

COLUMBIAN

ART WORKS—Calendar Division
1024-1036 W. Juneau Ave., Milwaukee, Wis.

there would be constant inclination on the part of owner to change the standard stove equipment, for example, or alter the electric wiring.

As to whether use of the trailer attached to pleasure cars is to be a permanent feature of motoring or merely a passing fad, opinions differ. The majority view is that should the great motor manufacturers take up the making of these attachments in earnest, they will create a market for their sale by virtue of a liberal advertising campaign.

Aside from the purely physical hazard, underwriters feel a distinct moral hazard might easily creep into the business; in that, tiring of wandering about the country, owners of such attachments might be tempted to dispose of them to the insurers. The conflagration hazard is one that insurance men regard as pronounced, great numbers of trailers being parked closely in lots where cooking in common is practiced, and where fire protection ranges from adequate to non-existent.

Loss Payable Clause Helps

Rider Aid to Agent Seeking to Handle Cover on Individual Car Purchased Under Contract

The new loss payable clause for use on individual policies covering automobiles purchased on time payment plans or representing collateral for loans has been made effective in all states under the jurisdiction of the National Automobile Underwriters Association except Iowa, West Virginia, Oregon and Washington. The clause must be approved in those states.

Directors of the automobile association last June approved the theory of an amplified loss payable clause for automobile business. The work of preparing this form and reconciling some diverging viewpoints was carried on through the summer. Now a form has been approved. This clause is for use on individual policies not issued in conjunction with or under a master policy contract.

It is especially intended for banks and other institutions that more or less recently entered the field of automobile financing and permit the purchaser to handle his own insurance. These institutions desire to have some special protection against the possibility of the mortgagor breaching a warranty or otherwise avoiding the coverage.

Text of the Rider

The new clause reads as follows:

Loss or damage, if any, under this policy shall be payable as provided in the policy and this insurance as to the interest of the conditional vendor or mortgagee or assignee of conditional vendor or mortgagee (hereinafter called the lien-holder) shall not be invalidated by any act or neglect of the mortgagor or owner of the within described automobile nor by any change in the title or ownership of the property; provided, however, that the wrongful conversion, embezzlement or secretion by purchaser, mortgagor or lessee in possession under a mortgage, conditional sale or lease agreement of the property insured is not covered under this policy, unless specifically insured against and premium paid therefor; and provided, also, that in case, the mortgagor or owner shall neglect to pay any premium due under this policy the lien-holder shall on demand pay the same.

Provided also, that the lien-holder shall notify this company of any change of ownership or increase of hazard which shall come to the knowledge of said lien-holder and, unless permitted by this policy, it shall be noted thereon and the lien-holder shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

This company reserves the right to cancel this policy at any time as provided by its terms, but in such cases this policy shall continue in force for the benefit only of the lien-holder for ten days after notice to the lien-holder of such cancellation and shall then cease, and this company shall have the right, on like notice, to cancel this agreement.

In case of any other insurance upon

the within described property this company shall not be liable under this policy for a greater proportion of any loss or damage sustained than the sum hereby insured bears to the whole amount of valid and collectible insurance on said property, issued to or held by any party or parties having an insurable interest therein, whether as owner, lien-holder or otherwise.

Whenever this company shall pay the lien-holder any sum for loss or damage under this policy and shall claim that, as to the mortgagor or owner, no liability therefore existed, this company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the debt, or may at its option, pay to the lien-holder the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the lien-holder to recover the full amount of its claim.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the undermentioned policy, other than as above stated.

Asks Commissioners Take Up Financed Car Question

Superintendent R. Bowen, of Ohio, has asked President Palmer of the National Association of Insurance Commissioners to call an executive session at the convention at Hot Springs in December to discuss the question of insurance on financed cars. This subject was one of the important matters considered at the convention of the Ohio Association of Insurance Agents in Columbus this week. Members of the association have asked the department to make an investigation, in support of Mr. Bowen's declaration last June that the making of a profit from insurance by lenders of money on financed cars was evidence of illegal insurance activities. It is stated that the superintendent has declined to take such action for the "immediate present."

Northwest Conference Elects

SEATTLE, Oct. 28.—At a meeting here of the Northwest Conference, E. R. Martin, assistant manager Swett &

Crawford, was named president; Harold Piggott, General of Seattle, vice-president; Martin Poole, Gould & Gould, secretary-treasurer.

The conference is composed of automobile companies which are non-members of National Bureau of Casualty & Surety Underwriters and is affiliated with the West Coast Automobile Underwriters Conference. Units are now being organized in various key cities on the coast.

Farmers Auto Fined \$250

OKLAHOMA CITY, Oct. 28.—The Farmers Automobile Inter-Insurance Exchange of Los Angeles, which had been cited for contempt by the Oklahoma insurance board, was fined \$250. The exchange was cited for alleged failure to conform with the board's request of April 23, to submit certain data connected with its rates and policy forms.

Cover Tourists in Mexico

Eberle & Co., Oklahoma City general agents, have inaugurated automobile coverage for Americans touring in Mexico, which is available through their agents in Kansas, Nebraska, Texas and Oklahoma. Tariffs have been prepared on a "rate per day" basis for the convenience of agents and assureds for fire and theft, collision and property damage, with discounts for long terms such as 30, 60 or 90 days.

Bans Cancellation Procedure

COLUMBUS, O., Oct. 28.—The Ohio department ordered that all companies writing automobile policies in Ohio with a provision of retroactive lapsation on failure to pay the first installment of the premium, or the premium, by means of a term indorsement or otherwise, must discontinue the practice. The department says it has learned that several companies writing automobile insurance in Ohio have been issuing such policies with a provision that the policy becomes null and void in the event that the first installment of the premium, or the entire premium, is not paid by the assured by a certain date, subsequent to the date of the issuance of the policy, the cancellation or lapsation date reverting to the date of issue.

MARINE INSURANCE NEWS

Truck Endorsement Required

Interstate Commerce Commission's Form with \$1,000/\$2,000 Limits Mandatory on and After Nov. 15

Marine insurance companies this week have been bulletining to agents and brokers information that the Interstate Commerce Commission will require, effective Nov. 15, that all interstate motor carriers must have \$1,000 insurance covering their liability for cargo on each vehicle and a \$2,000 casualty limit, a certificate for this insurance to be filed (mandatory) by the insurance company with the commission.

The I. C. C. has approved an endorsement to be attached to the basic motor cargo liability form. This endorsement, discussed previously in these columns when it was in process of drafting, is very broad, extending the basic policy up to \$1,000/\$2,000 limits, making the insurance company responsible to shippers or consignees for all liability truckmen may have to them under bills-of-lading. According to marine men, this amounts to all-risk coverage with the exception of losses caused by acts of God, liability for which is excluded by the bill-of-lading.

It is pointed out that the purpose of the mandatory endorsement is to guarantee that insurance is available under which shippers or consignees shall make direct claim in event truckmen do not

pay losses; that no greater liability to shippers or consignees is imposed on truckmen by the new regulation than they always had as common carriers; that the insurance company has no liability under the endorsement to the truckmen themselves, the basic policy being the contract of insurance between the truckman and company; and that the indemnity agreement set forth in the last sentence of the third paragraph of the I. C. C. form provides that if the company is compelled to make payment to shippers or consignees under the endorsement the truckman-assured is obligated to repay to the company the full amount of any loss not covered by the basic policy to which it is attached, an agreement, it is said, that is worth nothing unless the assured is financially able to make good under it.

Expect Little Loss on Form

Marine insurance men feel the established truckmen never will allow the I. C. C. insurance to be called on to pay claims for they always have paid their customers promptly for shortage, breakage, rough handling, water damage, etc., out of their own funds and realize the cost of insuring these losses would be prohibitive. The rate for basic cover equalling the I. C. C. form would be more than double normal rate.

While the I. C. C. endorsement is only for \$1,000 per truck, this does not mean truckmen are not liable for the full amount of any loss, marine men point out, and so they should carry suffi-

cient insurance fully to protect cargoes in their custody, as they cannot continue to operate if in event of serious loss they are unable to make good to shippers and consignees.

Many truckmen who carry coal, lumber, sand, gravel, etc., on routes crossing state lines never heretofore have carried cargo insurance, but now they must do so, it is stated. Basic policies for the purpose, excluding theft, are being quoted by a large company at a flat charge of \$10 per truck on such risks with the I. C. C. endorsement.

I. M. U. A. Revises Furs Form

Basic Policy for Furrier's Customer's Coverage and Rules Changed Effective Jan. 1

Changes in the basic form of furrier's customer's coverage and the rules, effective Jan. 1, are bulletined to members by the Inland Marine Underwriters Association of New York. All new policies on and after that date are to be rewritten on the new form; open policies in force are to be rewritten on the new form on the first anniversary subsequently. There are no changes in certificate forms.

The legal liability endorsement promulgated this summer has been incorporated in the new form. A change stipulates that where storage rooms or vaults covered are located in the same building, the floor must be specified in the policy and the rate for each room or vault and premium charged according to the values at risk in each storage location also must be set forth; otherwise separate policies may be issued for the purpose.

Provision Is Modified

The rules were too precise in one respect and this has been modified to meet the needs of furriers. The old rule made the coverage applicable to customers when the furrier had "issued" receipts. It was found there were circumstances under which the furrier could not conveniently issue the receipt by the time it became necessary to cover the customer's furs. The provision has been rewritten by inserting the clause "intended to issue."

There has been no change in the rating structure for the new form. Heretofore the furrier's customer's form has applied only as excess when there was other insurance previously taken by the furrier's customer on the same furs, and the rule has been changed so that in case the customer has a personal fur floater, the furrier's customer's certificate will act as primary coverage without contribution from the personal fur floater.

The rules and basic policy forms, as well as the furrier's customer's rider, have been greatly clarified by more precise phraseology throughout.

I. M. U. A. Permits Including Breakage in Floater Form

The issuance of wedding present floaters including coverage against breakage of china, glass, marble, earthenware, furniture and other brittle or fragile articles, has been made optional by the Inland Marine Underwriters Association in a new rule bulletined to members. The existing rule did not permit deletion of the breakage exclusion in the form and there were many requests for authority to cover this hazard.

The form as so amended must be subject to a short rate of the following annual rate and to a minimum additional premium: Policies subject to 100 percent coinsurance, annual additional rate 1 percent on policy amount, minimum additional premium \$5, irrespective of term; policies subject to 50 percent coinsurance, annual additional rate 1½ percent on policy amount and minimum additional premium \$7.50, irrespective of term.

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Ohio Agents Hold Sessions in Columbus

Should Recognize Changing Times

W. H. Bennett Tells Insurance Men They Should Watch the Day's Trends

CONSUMER BUYING IS ON

Agency Association Official Speaks Plainly of the Growth of the Cooperative Movement

At the annual meeting of the Ohio Association of Insurance Agents this week, Secretary W. H. Bennett of the National Association of Insurance Agents brought to the fore a menace that he sees confronting the country which he featured in his keynote address at the annual meeting of his organization at Pittsburgh. He had reference to the consumer cooperative buying movement and the growth of the cooperative business enterprises. He called attention to the fact that in Columbus two weeks previously there was the congress of the Cooperative League of the United States, a group of farmers formed for the purpose of pooling purchases of fertilizers, feed, oil, gasoline and other farm requirements. The secretary of the Ohio Farm Bureau appeared before the assembly and recommended that the league enter into cooperative insurance activities in order that it might have the advantage of buying it in a cooperative way.

Insurance Is Involved

Mr. Bennett said that this should be sufficient advance notice to insurance people throughout the country that their business is not to be omitted from this cooperative trend swinging through the country. Recently, he said, President Roosevelt sent a commission to Sweden and other foreign countries to study this cooperative movement in effect there. The consumers' cooperatives, Mr. Bennett stated, constitute an old story in some of the foreign countries. It is, however, a comparatively new venture

(CONTINUED ON PAGE 36)

Organization of Juniors Now Established in Ohio

IS COMPOSED OF YOUNG MEN

Will Endeavor to Bring Together Those Coming Up Through the Local Agency Ranks

The Ohio Junior Association of Insurance Agents was formally launched at Columbus Tuesday by younger men attending the meeting of the Ohio Association of Insurance Agents. Membership is restricted to the younger associates in agencies that are members of the state body. It was at first proposed that members be relatives of partners but the committee drawing up the plan recommended that agents and solicitors that can qualify will be eligible for membership. It is planned to interest the younger people who are becoming factors in their offices, many of whom are junior partners or associates. The organization is independent of the state body, the only tieup being that members must be connected with offices that are state association members.

It is likely that meetings will be held at the same dates as the large association. The midsummer meeting of the Ohio association this year was so well attended that it is proposed to make it an annual event.

Paul R. Laurensen, Canton, was elected president of the juniors. Vice-president is Stanley Hilbert, East Liverpool; secretary, John A. Lloyd, Columbus; trustees, Howard Somers, Berg-holz; George Frankel and Roger Smart, Cleveland; Thos. G. Earls, Cincinnati; Ralph McBane, Lorain, and Milton Bennett, Sydney.

C. H. Smith Gives Luncheon Address

Paul Kridler of Fremont was named by the trustees of the state association to promote the junior body. He is a trustee of the Ohio organization. Paul R. Laurensen of Canton presided at the business meeting and also at the luncheon when the state officers and trustees were present and when C. H. Smith of Chicago, associate western general agent of the Hartford Fire, spoke. Mr. Smith was loud in his praise of the movement to get the younger insurance people organized.

He said he hoped that the main characteristic of the new association would

(CONTINUED ON PAGE 36)

Opening Session of Ohio Agents Annual Meeting

The Ohio Association of Insurance Agents started its annual meeting Tuesday afternoon, preceded by important sessions of the officers and trustees, the meeting and luncheon of the new Junior Ohio Association of Insurance Agents.

H. S. Martin of Toledo, vice-president, opened the exercises. Chaplin E. S. Matheny of the Ohio senate spoke the invocation.

Mayor M. B. Gessaman of Columbus who brought official greetings, had rendered agents a real service when he was floor leader of the senate. He led the movement for the passage of the agents qualification act, the Metcalf-Gessaman bill. I. B. Lentz, president Columbus Insurance Society, extended the welcome for the resident agents. W. A. Earls of Cincinnati responded to the greetings.

At this juncture President F. P. O'Connor of Lima was introduced and gave the annual address. He stated the Columbus Insurance Society is now affiliated with the state association. Mr. O'Connor has made a most creditable record as the association's head.

Secretary's Report Given by John A. Lloyd

John A. Lloyd, in giving the report of the secretary, spoke of President O'Connor as one of the incorporated association's founders. It has 1,149 member agencies and 5,745 member agents. He spoke of a likely special session of the legislature after election when taxation will come up.

Constructive work was done in connection with the insurance department. The main rulings were against fictitious fleets, the Todd Company giving away forged bonds when its special paper was used, clarification of the foreign broker status, barring auto clubs as agents. The ruling not allowing railroad people to act as agents to sell baggage insurance is suspended pending further investigation.

During the year the Ohio Supreme court handed down a decision upholding the insurance superintendent in refusing to license the Allstate, the Sears, Roebuck & Co. insurer, which greatly strengthened and enlarged the discretionary powers of the department.

Mr. Lloyd urged an effort to get every

(CONTINUED ON PAGE 36)

Martin of Toledo Is New President

Superintendent Bowen May Submit Auto Finance Issue to Commissioners

FULL CARD WEDNESDAY

Claim Made Ohio Is Largest State Unit —Prepare for Expected Special Legislative Session

NEW OFFICERS ELECTED

President—Harvey S. Martin, Toledo.

Vice-president — Austin McElroy, Columbus.

National Councillor—Francis P. O'Connor, Lima.

Secretary-Treasurer — John A. Lloyd, Columbus.

Trustees (new members)—William C. Hazlebeck, Portsmouth; Glen C. Webb, Lima; E. F. Benson, Akron; W. A. Earls, Cincinnati; J. Ben Wilkinson, Piqua; Paul W. Kridler, Fremont; W. E. Flickinger, Cleveland, and I. S. Hewitt, Youngstown.

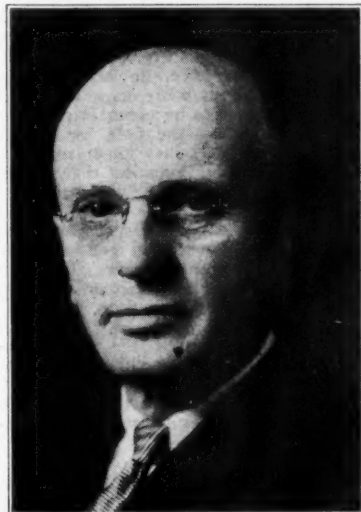
By C. M. CARTWRIGHT

COLUMBUS, O., Oct. 28.—The Ohio Association of Insurance Agents concluded its annual convention here today with a full schedule of association business, discussion, reports and sustained addresses.

Wednesday morning started with a breakfast conference attended by L. U. Jeffries, warden Ohio department, and Raymond Rhoads, assistant superintendent, who answered all sorts of questions regarding the position of that office on various issues arising. J. R. Neff of Bucyrus presided.

Robert O'Brien of Columbus reported as chairman of the legislative committee saying that additional tax legislation will be offered at the predicted special session to be called soon after election. Various industries are well organized to try to keep any addi-

(CONTINUED ON PAGE 37)



HARVEY S. MARTIN, Toledo
New President



FRANCIS P. O'CONNOR, Lima
Retiring President



AUSTIN McELROY, Columbus
Vice-President



JOHN A. LLOYD, Columbus
Secretary-Treasurer

Report of Administration Is Given by the President

Francis P. O'Connor of Lima, president Ohio Association of Insurance Agents, in his annual report said that the work of the organization divides itself into five general classifications,—general activities, organization, legislation and litigation, membership development and finance.

In speaking of the first division he said there is a decided improvement in and extension of the association's relationships with other organizations. The Ohio Association of Insurance Agents has been working with the Ohio Association of Casualty & Surety Managers, Ohio State Association of Life Underwriters and company groups. He said there has been a more complete understanding with the insurance companies of all classes during the year than ever before.

In talking of the work done in connection with the state insurance department he said that there has been a clarification of the question of a corporate agency's right to a license under the qualification law. The all important fictitious fleet ruling was made. The Toledo Auto Club license case came up resulting in failure of the applicant to secure a license. The Baldwin Piano Company ruling established a point that he feels may prove very important in future negotiations.

Some of the problems hanging over are the marine definition, casualty insurance rate stabilization and automobile financing.

Effort Made to Solidify the Gains Acquired

President O'Connor said that effort had been directed principally toward a solidification of the gains that had been made by following a program of bringing the affiliated local and county boards into closer harmony with the state associations. A junior organization has been created. The district system has been solidified by setting up unit organizations. There are nine districts in the state. At the beginning of the year only one of these had anything that resembled a unit organization, that being No. 5 in the northwestern section. During the year similar organization work has been prosecuted in seven other districts, leaving only one still needing attention. In the larger cities or those having a population in excess of 25,000 there

were only two at the beginning of the year where there was lacking a well organized, affiliating local board. Much work has been centered on these two cities. It has not yet been concluded.

President O'Connor, in touching on membership said that taking the National Association of Insurance Agents record, the gross new membership increase during the year was 21.6 percent and the Ohio association 42.6 percent. The lapse rate for the National association is 12 percent and the Ohio association 8.1 percent. The net increase of the National association was 9 percent and the Ohio association 23.3 percent. During the three campaign days in Ohio, a total of more than 225 working days were contributed by members engaged in this work.

Extra Demands Drew on the Treasury

The president stated that during the year the association was confronted with numerous activities and expenses that were not anticipated in the budget. There is no way to know that the state legislature would continue in session through most of the year. That it did demanded the expenditure of a substantial sum. The membership development was expensive. While there was no surplus created there was no deficit.

Reviewing the year as a whole, President O'Connor said ground had been gained and there is ample reason to be happy about the progress made. There should be, he declared, however, no let down. There must be a strong state association, well financed.

President O'Connor said that various plans have been suggested for raising funds and creating a cushion so that the association need not worry about any emergency. He stated that that should be one of the major objectives of the new administration.

In speaking of the sentiment throughout the state so far as the association was concerned, he said there are few instances which revealed any lack of harmony and these were due largely to selfishness.

Cites Experience With One Company

President O'Connor referred to one experience during the year where a prominent fire company which was supposed to be a staunch supporter of the agency system allowed its field men to work among agents who were members of the association, to create dissatisfaction with the state body. Mr. O'Connor said that the activity was motivated by a desire to create a smoke screen to cover some of its own activities. The home office was contacted and apparently approved of the activities of its field men. However, after the complaint was made these activities ceased.

In speaking of the policy of the organization in an incident of this kind, he made the following statement:

"In making the observation, it is not the intention to create any furor nor to incite our membership to retaliatory actions against this company. Neither are the remarks made in any spirit of revenge or vengeance. They have been carefully considered and prepared, and are presented as a statement of fact. It will be pertinent to add, however, as a sequel to these remarks, that this association was formed by, is maintained by, and will continue to be operated for the benefit of its member agencies. It will expect to continue to defend and protect the business of its members against attack from whatever source the attack may come, and I hope that in the future this association will continue its policy of keeping its membership thoroughly informed about such matters through the medium of the bulletin."

Ohio Superintendent Was Prominent at the Meeting



ROBERT L. BOWEN

Insurance Superintendent Bowen of Ohio, who took an active part in the Ohio agents' meeting, answered a number of questions and mingled with the flock.

Much Managerial Talent On Hand for Ohio Meeting

Among the executives present at the Ohio meeting were C. R. Street, Chicago, vice-president Great American, who left Tuesday evening to attend the funeral of J. V. Parker in Evanston, Ill.; Grant Bulkley, Chicago, secretary Springfield F. & M.; Osborne Shephard, Chicago, vice-president Motor Vehicle Casualty; C. H. Smith, associate western manager Hartford Fire; H. C. Leavens, assistant agency superintendent Travelers.

Other executives on hand were: L. E. Falls, vice-president American; William Quaid, vice-president Southern Fire, Ralph Rawlings, president Monarch Fire; C. D. McVay, vice-president, and J. C. Hiestand, secretary Ohio Farmers; R. L. Mauk, assistant manager North British & Mercantile; Ira L. Morris, secretary Buckeye Union Casualty, Vice-president W. O. McLelland, American National Fire, and V. L. Montgomery, assistant western manager North America and former Ohio field man for that company.

Ohio Dinner Was Speechless

The dinner Tuesday night was speechless except for some remarks by President F. P. O'Connor, and by three notable ex-presidents, C. C. Rudibaugh of Youngstown, J. E. Greenwood of Warren and Hugh L. Meek of Columbus.

Ohio Convention Notes

The Royal-L. & L. & G. groups now make it a custom to give looseleaf memoranda books. The America Fore gave a contract bridge score pad.

* * *

George C. Roeding was in charge of The National Underwriter exhibit.

Want Insurance Course Established at the O. S. U.

On memorial from the Canton Association of Insurance Agents, the trustees of the Ohio association voted to urge Ohio State University to establish a complete insurance course which will lead to a degree. Secretary Lloyd of the Ohio organization urged the new junior body to get back of the movement which it later decided to do.

Editor Declares Real Progress Is Made by Degrees

C. M. Cartwright of THE NATIONAL UNDERWRITER, in speaking before the Ohio agents, referred to the early days of the National Association of Insurance Agents, he taking the ground that the problems confronting the business then were graver and more exasperating than those at present. He said that the National Association of Insurance Agents has insured the value of every agency. Before it was organized there were rate wars on every hand. A company disciplined an agent by raiding his business and this spread to the entire community. Thus an agent did not know whether his business was worth anything or not. It could be shot to pieces in a rate war when he might have been entirely innocent. The business of the local agent, he declared, has been stabilized and safeguarded through the instrumentality of the National organization.

Changes in Business Come by Degrees

He said that reforms in the business, changes of moment and improvements are not accomplished in a day. Fundamental wrongs are righted gradually. The difficulty is in arousing sentiment in the business to justify a change. All improvements that are substantial come by degrees. Companies that are permanent are not hysterical. They have not veered with the wind. They have pursued a persistent course. It is not to be expected that changes will come in a trice. Those in the business who see that a certain goal should be reached should not be discouraged, he held, because the race cannot be won at once. Changes that are put into effect suddenly do not work out satisfactorily. There must be solidly grounded belief in the wisdom of a course.

The speaker declared that fire insurance is intelligently organized, the men in it are very efficient and the mistakes that are made are chiefly of a political nature. He declared that more attention might well be given to this particular phase of insurance operations so that unseemly controversies would not arise and the business be put in a position where it aroused public prejudice.

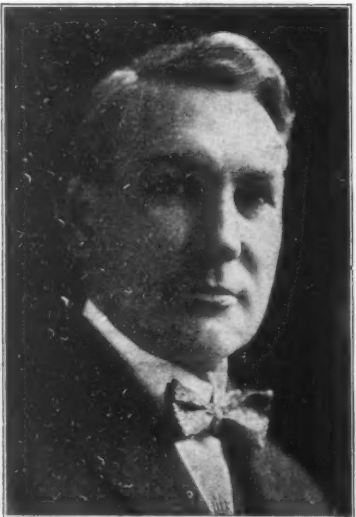
Sees Step Forward in Joint Action

Mr Cartwright asserted that in his opinion the Business Development Office was an indication of a great step forward in company-agency relationships. It is a joint enterprise of moment and its chief value is its revelation of a desire on part of both sides of the business to get together. He stated that along this line there are many opportunities for creative endeavor. For instance, he believes that the business needs what might be called insurance scouts to be constantly on the outposts, scanning the field for opportunities for new insurance markets, watching for any enemies that might be abroad and studying new uses to which insurance can be put. In this connection he said there is needed those at headquarters who can get in closer touch with insurance buyers, listen to their complaints and suggestions and discern which are meritorious.

The speaker held that insurance should not wait until the public demands something to be done but that these demands should be anticipated. This can only be done through those who are studying and watching the developments.

The Eastern Star was holding its state convention at the Deshler-Wallack so there were hundreds of women crowding the lobby and the foyer of the meeting room.

Well Known Speaker at Meeting of Ohio Agents



WALTER H. BENNETT
Secretary-Counsel National Association
of Insurance Agents

**FIRE
TORNADO**



Sound Experienced Conservative

AUTOMOBILE

EIGHTY-EIGHT years ago, in 1848, the Ohio Farmers Insurance Company was chartered at LeRoy, Ohio. This Company has become a sound, experienced and conservative insurance organization.

The first policy—for fire only—was written in a small one-room office in LeRoy. Today, in a modern three-story brick building on the site of the first office, the Company writes fire, windstorm and automobile insurance for owners of property in city, town and country in many states and in Canada.

Organized when there were few residents in the State, the Ohio Farmers by conservative and experienced management has grown and prospered with the State and the Nation.

The "Old Man on the Fence"—its Famous Trade Mark—symbolizes its origin, strength and increasing service to the insuring public.

The Ohio Farmers Insurance Company owns and operates the Ohio Farmers Indemnity Company which writes automobile public liability and general casualty lines.

**OHIO FARMERS
INSURANCE CO.—LEROY, O.**

Should Recognize Changing Times

(CONTINUED FROM PAGE 33)

in the United States. The theory, however, has legal recognition in one state, —Wisconsin—the law there provides that in every high and vocational school adequate and essential instruction shall be given in cooperative marketing and consumers cooperatives; that the governing boards of the University of Wisconsin, state teachers colleges and normal schools shall provide like instruction in their respective institutions; that before granting certificates for the teaching of courses in economics, in social studies or agriculture, adequate instruction in cooperative marketing and consumers cooperatives shall be required.

Should Watch Changing Trends

While Mr. Bennett feels that insurance men should not at present be very much concerned about the soundness of this agricultural, social and economic philosophy, it is now at the doorstep of insurance in a very real way and it cannot be ignored.

In being busily engaged about their own affairs, agents, he said, need to be concerned about these changing trends and conditions for unless they are prepared to meet them from the viewpoint of maintaining sound principles in the insurance business, they will awake some day to find these swelling tides of gigantic proportions engulfing the entire business.

All Business Mutualized

If the American tradition of the profit motive in business is to be set aside and abandoned, he believes insurance will be the first to feel this new philosophy of mutualizing all business activities. Therefore, Mr. Bennett took the position that in the state association the members should realize these facts in order that they may become key men in

bringing the whole agency ranks in marching formation, successfully organized to meet whatever competition the future may hold.

Mr. Bennett said that the National Association of Manufacturers sounded out people in all localities, seeking to find their opinion of the American plan of life, its living conditions, comparative happiness enjoyed by the people, etc. It was revealed that the American plan is the envy of the world, the conditions are better, people live more satisfactorily, have more luxuries, comforts and conveniences. America has produced three times as much wealth as the whole world produced before the founding of this republic. There have been gigantic strides made in every line.

Opportunities in Insurance

He recorded the achievements in America for the purpose of controverting a statement which sometimes arises that opportunities insurance-wise are not what they were in years gone by. On the contrary, he said, the record would appear to show clearly that they are constantly increasing and available to the diligent, intelligent worker in insurance, and to the faithful seeker after improved conditions in his own vineyard.

The institution of insurance, Mr. Bennett contended, must mold itself to fit modern business needs; that precedent alone is an unsafe and treacherous craft on which to continue its journey; that it must recognize that business conditions today are not what they were 40 years ago; that anyone who cares to read as he runs can see material and important changes taking place in every decade; that insurance in all its branches must continue to be the stable protection for all property interests, provided at reasonable and proper costs, serviced

and administered by competent men, whose knowledge of necessary insurance requirements is of paramount importance.

Organization of Juniors Now Established in Ohio

(CONTINUED FROM PAGE 33)

possess would be ginger. He based his remarks on color combinations representing different attributes—yellow, red, blue, white and black—which mixed make the ginger hue. Yellow, for example, is selfishness, blue is dependability, red is energy, white is purity, black is secrecy.

He stressed the value of service to clients. An agent, he said, should be able to map a complete insurance program.

He spoke of some of the problems before the business and urged that agents look at the long pull and thoroughly understand them before they act.

Mr. Smith declared that by and large insurance is the poorest sold service in the country. The best selling ideas, he claimed, are old and based on old principles. He held that agents should study sales methods and not solicit in a haphazard manner.

Mr. Smith stated that he had been a member of the governing committee of the Western Underwriters Association for two years and not seen any sign of antagonism to agents on part of any member.

Ohio Agents Hold Annual Convention in Columbus

(CONTINUED FROM PAGE 33)

available agency in the state on the membership roll. He said it is hoped to get official ruling so that insurance on property owned by failed financial institutions or those in the hands of conservators will be placed through regular agency channels. He urged the strengthening of the financial structure of the Ohio association by building up a reserve.

Bennett Says Agents Must Watch Cooperatives

Secretary W. H. Bennett of the National Association of Insurance Agents was introduced and spoke of some of particularly the growth of the consumer cooperative buying movement. The Ohio Farm Bureau has launched into the insurance business and it is urging that the trends that are apparent. He stressed the movement be made national in its activity. Mr. Bennett stated it is highly essential to harness these radical tendencies and keep them in bounds. Unless this be done they will sweep the country and destroy useful enterprises.

He referred to the automobile financing abuses and the growth of great companies to handle the installment notes. The tendency now is for these finance companies to take care of the insurance. It is mass or wholesale buying that will extend itself so that indemnity can be gotten on a preferential basis on various lines. Mr. Bennett spoke of the new mortgage clause applicable to automobile policies. This will enable companies and agents to handle automobile insurance and to give as good service as the largest finance companies. The clause has been modernized. He told the audience that the agents must always be recognized as a big part of the insurance business.

Charles R. Street Made Speech to Agents

C. R. Street of Chicago, western manager of the Great American, was introduced and said that cooperation between agents and companies is growing and he sees a finer understanding of the problems of the other by both sides. He said that there should be consultation with agents by companies and vice versa where any move is contemplated that

involves fundamental changes. He declared that company organizations are carefully considering agency relationship. John T. Hutchinson of New York City, secretary Insurance Federation of America, was introduced.

An intruder, Ezra Simpkins of Podunk Center, broke in on the proceedings and made some pertinent comment on the insurance business and some of the attending personalities.

A. W. Kette of Marion, chairman nominating committee, reported Harvey S. Martin of Toledo for president; Austin McElroy, Columbus, for vice-president and F. P. O'Connor, Lima, national councillor. The new trustees are Glen C. Webb, Lima; E. F. Benson, Akron; W. C. Hazlebeck, Portsmouth; Robert O'Brien, Columbus.

Officers Hold Session

The officers and directors of the Ohio Association of Insurance Agents had a long session Monday afternoon that lasted until 1 a. m. They met again Tuesday morning. Secretary W. H. Bennett of the National association and Allan I. Wolff of Chicago, former national president, met with the board Monday. Mr. Wolff left for home Tuesday noon.

American Surety Display

The American Surety and New York Casualty had a display. W. H. Riley, division supervisor, was present from the head office.

* * *

John T. Hutchinson, secretary Insurance Federation of America, who is doing some special work in Ohio, attended the meeting.



GO-GETTERS...

Join the exclusive Black Cat Club by selling 13 accident policies on Friday, the 13th of November, 1936. Send 20 cents now for HOODOO DAY Sales Kit of promotional aids to use in the big money making drive.

ACCIDENT & HEALTH REVIEW

A-1946 Insurance Exchange
CHICAGO, ILL.

The only organization of .. By .. and For Agents!

THE OHIO ASSOCIATION OF INSURANCE AGENTS is the only statewide organization of agents, exclusively, in the Buckeye state.

It Represents The Agent's Viewpoint.
It Fights the Agent's Battles.

To every Ohio agent, the state Association is indispensable—
It is the last line of defense for your business.

Are You Supporting Your State Association?

The OHIO ASSOCIATION of
INSURANCE AGENTS, Inc.

Atlas Building, Columbus, Ohio

Martin of Toledo Is New President

(CONTINUED FROM PAGE 33)

tional burdens falling on them. Social security legislation is also in the offing. The financed automobile issue is quite certain, he believes, to get into the legislative grist mill. The Ohio Association of Insurance Agents, he added, must be on guard.

Glen C. Webb of Lima reported for the membership committee. He estimates there are 45,000 agents in the state. He thinks there are 5,000 really eligible for membership. He claims that Ohio with 1,149 members now is the largest state unit. He figures there are between 1,500 and 1,700 bona fide fire and casualty agents in Ohio.

It was announced in the meeting that a group of lawyers has been established to try to bring about the repeal of the auto guest law.

T. M. Miller, assistant attorney-general, who is the legal advisor of the department, elaborated on some of the more important legal decisions where insurance is involved that have been rendered in recent months. He spoke especially of suits involving foreign brokers and the resident agent law. One important case involved the rating bureau law involving deferred premium payments on term policies. The case involving the Allstate of Chicago in the supreme court resulted in materially strengthening the discretionary power of the superintendent.

Secretary John A. Lloyd of the Ohio association gave a report on the status of automobile financing. The object is to get the writing of financed cars in the homes of agents.

Wants Discount Firms Under State Control

Mr. Lloyd urged the legislature to bring discount companies under state regulation. Superintendent Bowen enunciated the principle that discount and finance companies should not be allowed to make a profit on automobile insurance. Mr. Lloyd stated that undoubtedly these companies are making money out of insurance. The Ohio association asked that the insurance department make investigation of certain concerns. Mr. Bowen replied that progress is being made in this direction but he decided not to make a move at present. He intends to bring up the subject of automobile financing before the insurance commissioners at their forthcoming Hot Springs, Ark., meeting. Mr. Lloyd believes that Superintendent Bowen has a program in mind which he hopes to have ratified in a national way by the commissioners. Many of the large loaning companies are interstate in their operations.

President O'Connor introduced the president and vice-president of the new junior organization—Paul Laurensen of Canton and Stanley Hilbert of East Liverpool. C. H. Smith, associate western general agent of the Hartford Fire, was presented. He said he views with apprehension the growing expense ratio, which is above 50 percent. It is a problem that is vexing and must be carefully studied. Increase of business will help and he urged more efficient sales methods.

Clariss Adams, president Ohio State Life, in addressing the Wednesday afternoon session, declared insurance is one of the great stabilizing forces of the nation. The complexity of modern civilization in this industrial age has so increased the hazards of existence, he observed, that business can no longer operate with confidence unless property values be insured against calamity. Insurance is absolutely essential to free enterprise. It buttresses the economic values of the nation and spreads the risk of almost every conceivable disaster over the whole community.

The insurance companies have been amazingly progressive in providing coverage for practically every possible risk for an amazingly moderate charge, he

asserted. "I doubt if any business in the country is conducted upon a more efficient and reasonable basis," he said.

"Life insurance," he added, "makes for social stability as property insurance makes for economic stability. During the depression, life companies paid out more billions to their policyholders and beneficiaries than all the vast sums provided by the government for relief and social experiments. These two great branches of one business, differing widely in practice but closely akin in principle, supplement each other and help to make America the most secure nation in the world against the vicissitudes of life."

C. M. Cartwright of THE NATIONAL UNDERWRITER closed the morning's session with a talk. Superintendent Bowen and President Clariss Adams, Ohio State Life of Columbus, spoke at the afternoon meeting.

Vice-president L. E. Falls, American, who originated the plan in New Jersey for handling the insurance of distressed loaning institutions and who was a prime factor in the Ohio movement, explained the mechanics of the plan.

Resolutions adopted were:

The Towner Rating Bureau through the Surety Association of America be requested to promulgate a mandatory rule or rules embodying in substance the following:

1. Where any administrator, guardian, executor or other fiduciary bond is given in any probate court of Ohio for which the annual premium is \$5, the fiduciary shall deposit with the surety three full years' premium in advance subject, however, to a discount of 10 per cent on the second and third years' premiums.

Statement As to When the Premium Is Earned

2. The first year's premium shall be fully earned upon the execution of the bond—no refund. Should the final accounting be made and approved by the court and all costs paid within the first year, the surety shall return the advance premiums for the second and third years. Should the final accounting be filed and all costs paid during the second year, the surety shall return the deposit premium for the third year. Should the final accounting be filed and the costs paid during the third year, no refund will be allowed.

3. The fiduciary must agree as part of the written application for the bond that any refund of premium must first be applied by the surety to any unpaid court costs in said case and the balance of the refund, if any, shall then be paid to the principal.

Whereas, The business of insurance is one of the major businesses in the country, affording protection and permanency to other businesses and security to millions of individuals, and

Whereas, The profession of the insurance agent is gradually becoming one of increasing responsibility, demanding greater qualifications and more technical requirements, and

Whereas, The insurance department of Ohio now compels all applicants for agents' or solicitors' licenses to pass an examination which tends further toward the improvement and enhancement of the insurance business and assures even greater protection to the insuring public, and

Whereas, there is at present no college or university in Ohio offering a specialized and complete course in insurance where young men and women can be trained in the insurance profession.

Now therefore be it resolved that the Ohio association go on record urging establishment of a complete and specialized course in some Ohio college, requiring two or three years of special training in the insurance profession and leading to a degree of bachelor of science in general insurance.

Resolved that the president of this association appoint a committee of three members to take steps looking toward the consummation of this project and that this association ask the cooperation of the Ohio Education Association and

(CONTINUED ON PAGE 35)

THE OHIO CASUALTY INSURANCE CO. HOME OFFICE - HAMILTON, OHIO

Assets over
\$4,000,000.00

AN OHIO COMPANY
writing

**Full Coverage Automobile
Fidelity & Surety Bonds
Plate Glass • Liability
Burglary
Special Automobile Accident**

The Mercer Casualty Company

HOME OFFICE, CELINA, OHIO

As of June 30, 1936

Admitted Assets	\$935,345
Policyholders Surplus	471,714

Bonds & Stocks Dec. 31st Market Values

Writing
Full Coverage Automobile
General Liability
Plate Glass

AN AGENTS' COMPANY

OF INTEREST TO YOU?

● Fifty years ago, the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Limited, wrote the first liability policy ever written in the United States. We have reproduced, as an interesting historical document for insurance men, that first liability policy which naturally differs considerably from those contracts you sell today.

It is our wish that every insurance agent and broker, every employee connected with any insurance office, who feels that he or she would be interested in owning a copy of this facsimile of the first liability policy written in the United States, should receive a copy. Hundreds have already written in, requesting a copy. Dozens have asked for additional copies.

Perhaps you would find it more interesting than you at present believe. To get your copy please write to the following address or if you prefer, telephone or write to the nearest Branch Office and they will take care of your request.

May we remind you that the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Ltd., is one of The Employers' Group companies. The others in the group are The Employers' Fire Insurance Company and the American Employers' Insurance Company and together these three write practically every kind of insurance except life, including fidelity and surety bonds. If you are interested in establishing an agency connection, write to the same address, attention of the Agency and Production Department.

THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON



Tennessee Agents Gather in Nashville

Retrospective Plan Finally Approved

Convention Reverses Executive Committee's Original Stand on Compensation Rating

SPLENDID TALKS GIVEN

Value of Stock Insurance Is Stressed—
Seek to Tighten Up Agency License Law

By W. A. SCANLON

Adoption of the retrospective compensation rating plan was requested in a resolution adopted at the annual convention of the Tennessee Association of Insurance Agents in Nashville. The matter was discussed at a group meeting and although the executive committee had previously decided not to approve the plan it withdrew its objections and the association voted to give the plan a trial.

The program was of unusually high order with speakers who stand high in their chosen field and are of such caliber that they could easily grace the platform of a National association meeting. They included such shining lights as Commissioner Tobin, E. M. Allen, New York City, vice-president National Surety; Frank T. Priest, Wichita, Kan., vice-president Kansas association and for some years National association executive committeeman; Chris D. Sheffe, New York City, assistant manager London Assurance; H. P. Stellwagen, Philadelphia, vice-president Indemnity of North America; J. H. Hines, of Hines Brothers, Atlanta, Crum & Forster southern managers; W. E. Minner, Nashville, president Tennessee Fire Underwriters Association; J. W. Oliphant, Chattanooga, formerly president Tennessee association, and Frank Ziegler, Nashville, chairman safety committee Nashville Chamber of Commerce.

Much stress was laid on the value of stock insurance as opposed to other forms. Practically every speaker dwelt on this subject and many valuable and

(CONTINUED ON NEXT PAGE)

View Pertinent Subjects at Two Breakfast Meets

Two breakfast conferences featured the Tennessee Association of Insurance Agents' meeting. One of these was for agents from towns of less than 50,000 and the other for larger cities. The new president, W. S. Keese, Jr., Chattanooga, presided at one group meeting while Howell A. Bransford, Union City, was chairman of the other meeting. Both sessions proved interesting and were well attended. Among the subjects discussed were the supplemental contract, workmen's compensation, Lloyds competition, advertising, automobile rates, mutual competition and unfair competition. The retrospective rating plan for compensation insurance was discussed quite fully. E. R. Lutz, Knoxville, was in favor of the association giving this plan a trial although the executive committee had previously decided not to put the plan in operation in Tennessee. Mr. Lutz thinks there are distinct possibilities in being able to offer this plan to the assureds in the future.

President H. H. Corson explained why the executive committee had not ap-

proved the plan and declared he and the other members of the executive committee were very willing to withdraw any objections. Some of the agents were not in favor of the plan, but it was decided to ask the convention to give it a trial. A resolution was later adopted to this effect.

Irvine Chase, Nashville; L. B. Corley, Nashville; H. G. McMillan, Knoxville, and Balie P. Gross, Nashville, were among those who took part in a discussion of the supplemental contract. There is a difference of opinion among the agents on this contract. Some of the agents stated they had been unable to sell it because of the 100 percent tornado insurance required. This applies particularly to dwellings while other members said they had been quite successful and it was not at all difficult to sell this idea to their assureds. In discussing advertising for local agents, Howell A. Bransford, Union City, said in his opinion the local newspaper is the best medium for the agents to use for this purpose.

Tennessee Meeting Activities

The banquet and dance was well attended. H. Phelps Smith, Nashville, acted as toastmaster. Out of respect for the memory of Miss Julia Hindman, who died a few years ago, all in attendance stood for a moment in silence. Miss Hindman was secretary of the Tennessee association for many years and was beloved by all of the Tennessee agents.

Short talks were made by E. M. Allen, National Surety; J. H. Hines, Crum & Forster; William Quaid, Home of New York; H. P. Stellwagen, Indemnity of North America; C. D. Sheffe, London Assurance; Frank T. Priest, Wichita, and William A. Scanlon, THE NATIONAL UNDERWRITER.

E. M. Allen, vice-president National Surety, is a favorite with the Tennessee agents. He has attended practically all of the annual meetings of the association. He was formerly president of the National Association of Insurance Agents. He has spoken at several of the meetings and this year he was a

speaker at the banquet and also during the business sessions.

The resolution committee was composed of S. M. Williamson, Memphis, chairman; F. T. Sanders, Harriman; John J. Conroy, Jr., Clarksville; F. L. Gates, Chattanooga, and Henry G. McMillan, Knoxville.

John Chickering, Chicago, agency superintendent Sun of London, and Mrs. Chickering, were in Nashville during the convention. Mr. and Mrs. Chickering drove and will spend a few days in the Smoky Mountains before returning to Chicago.

John B. Tetlow, Peoria, Ill., state agent of the American of Newark, who is convalescing from a recent illness, was a visitor at the agents' meeting. He had been visiting friends in Tennessee.

The Hartford group maintained headquarters during the convention. Those acting in the capacity of hosts were

(CONTINUED ON PAGE 41)

Keese Takes Helm for Coming Year

New President Is Only 33—Has Been Active in Association

L. M. ROSS IS RE ELECTED

W. D. Pettigrew of J. E. Lutz & Co., Knoxville, Named Vice-President—McMillan Again Councillor

NEW OFFICERS ELECTED

President—W. S. Keese, Jr., Chattanooga.

Vice-president — W. D. Pettigrew, Knoxville.

Executive Secretary-treasurer—Leslie M. Ross, Gallatin (reelected).

Regional vice-presidents—F. T. Sanders, Harriman; M. C. Maney, Murfreesboro; and Winfield Pope, Jackson.

Executive committee—H. H. Corson, Nashville; John J. Conroy, Clarksville; F. L. Gates, Chattanooga, and Howell A. Bransford, Union City.

National councillor—Henry G. McMillan, Knoxville.

1937 Meeting Place—Chattanooga.

W. S. Keese, Jr., Chattanooga, who has been vice-president of the Tennessee Association of Insurance Agents the past year, was elevated to president at the annual meeting in Nashville. Mr. Keese is just in the bloom of youth, being 33 years of age. He is a Harvard graduate with the class of 1925. He served with the Fidelity Trust Company for two years as manager of its insurance department and then went into partnership with Frank Thomas, now football coach at the University of Alabama, for three years. He formed a partnership with W. H. Trotter, Jr., and A. Pollack Boyd in 1930, making the present firm. He has served as president of the young men's division of the Chattanooga chamber of commerce, chairman of the fire prevention committee of that body and is now one of the



W. S. KEESE, JR., Chattanooga
New President



H. H. CORSON, Nashville
Retiring President



LESLIE M. ROSS, Gallatin
Secretary-treasurer



HENRY G. McMILLAN, Knoxville
National Councillor

directors. He is regarded as one of the coming men in Tennessee local circles.

W. D. Pettigrew, Knoxville, who was elected vice-president, is vice-president and treasurer of J. E. Lutz & Co. He has been associated with this firm for 23 years and has been a member of the state and National associations during all of that period and has been attending the meetings of the state and national organizations regularly. Mr. Pettigrew was regional vice-president the past year and has just retired as president of the Knoxville Exchange, having held that position for two terms. He will make a fine running mate for President Keese.

Leslie M. Ross, Gallatin, who has done such a fine job as executive secretary-treasurer the past few years, was re-elected. Mr. Ross stands very high in the eyes of the agents of the state.

F. T. Sanders, Harriman; M. C. Maney, Murfreesboro, and Winfield Pope, Jackson, are the regional vice-presidents.

The executive committee is composed of H. H. Corson, Nashville, the immedi-

ate past president, who presided at all the business sessions at this year's meeting; John J. Conroy, Clarksville; F. L. Gates, president of the Chattanooga Exchange, and Howell A. Bransford, Union City.

Henry G. McMillan, Knoxville, who is recognized as one of the most active men in the state in association affairs and a real wheelhorse of the organization, was again named as national councillor.

Sale of Qualifying Bonds to Competitors Hit by Priest

Problems faced by agents in both their organization and sales work were covered by Frank T. Priest, vice-president of the Kansas Association of Insurance Agents, at the annual meeting of the Tennessee Association in Nashville. The furnishing of qualification bonds by stock casualty companies to carriers opposed to the American agency system was criticised. "It is rather curious that our companies call upon us to produce more business for them and yet they themselves furnish bonds necessary to those companies that create the worst competition in our business," declared Mr. Priest.

Mr. Priest commended the new services which are being offered organized agents in the form of the National association's Washington office and the Business Development Office in New York. He viewed the possible spread of consumer cooperatives with alarm, saying that the situation should be watched carefully. He urged the revision of the branch office system to place them more on a competitive basis in the matter of expense to local agents. He outlined the recommendation of the local board committee of the National association in regard to branch offices and urged that the local organizations in Tennessee adopt it.

Asks Term Discount

The National association is asking the National Bureau to provide an additional discount on three year public liability policies when the premium is paid in advance, said Mr. Priest. The National association is also trying to get a satisfactory mortgage clause from the National Automobile Underwriters Association to offset the finance competition. "We are making a mistake if we wait too long for that. The agents in each state should work out a mortgage clause that will be fair to the insurance companies and acceptable to the finance companies and begin to use it on all financed cars," he said.

TENNESSEE MEETING NOTES

The North British & Mercantile headquarters were in charge of W. L. Nolen, Nashville, state agent, and E. P. Turner, Jr., Nashville special agent.

* * *

Holger de Roode, Chicago, was a visitor at this year's gathering. Mr. de Roode was one of the original 100 members of the National Association of Insurance Agents. He has been engaged in the fire insurance business for 67 years. He was a resident of Nashville when he was 6 years old.

* * *

During the meeting President Corson stated that in his opinion Commissioner Tobin is doing all he possibly can to help the agents.

Retrospective Plan Finally Approved

(CONTD FROM PRECEDING PAGE)

interesting suggestions were made to help the agents in combating non-stock carriers. Much praise was given the companies and field men for their fine cooperation.

The Tennessee agents feel that the present state licensing law should be amended so that an applicant must have a more thorough knowledge of the technicalities of the business. A resolution was adopted urging the legislative committee to seek such an amendment. The agents will also support the Tennessee taxpayers league in their efforts to secure remedial legislation and enactment of laws that will adequately protect the funds in the custody of state and county officials.

Seek Lower Limit on

Bank Agency Appointments

Another resolution called upon state associations to take action with reference to the appointment of bank agencies. The Tennessee men feel that the stock companies should be requested not to appoint bank agents in towns of over 2,500 population in the future. The National association now has an agreement with practically all of the stock companies not to appoint new bank agents in towns of over 5,000 population. During the next session of the legislature the association will make an effort to secure the enactment of the standard traffic code in its entirety.

President Corson gave his annual message and Secretary-Treasurer Leslie M. Ross, Gallatin, reported. The association has a substantial cash balance and there has been a fine gain in membership, 69 members being added to the roster this year, making a total of 283. Secretary Ross said there should be at least 500 members.

In his report as national councillor Henry G. McMillan, Knoxville, told of a meeting of the national councillors at Pittsburgh.

Tobin Tells of

Agency License Law

Commissioner Tobin, who for 20 years was a local agent at Memphis and a member of the state and national organizations and twice president of the Memphis Exchange, discussed many of the problems of the insurance department and the agents. He dwelt at some length on the provisions of the "broker's" bill passed in Tennessee in 1935. He is interested in the licensing of qualified agents. The department may by oral examinations or otherwise pass on an application for new licenses. The insurance department now has four lawyers located in the larger cities and Mr. Tobin asked the agents to go to these men with their complaints. He asked 100 percent cooperation of the agents with the insurance department.

W. E. Minner, Nashville, spoke on "Cooperation Between Companies and Local Agents." "The Past, Present and Future of Automobile Liability Insurance" was discussed by H. P. Stellwagen, Philadelphia.

Passage of Auto

Drivers' Law Urged

As chairman of the legislative committee, Charles B. H. Loventhal, Nashville, stated every effort will be made during the next legislative session to secure passage of a drivers' license law. If successful in getting such a law enacted the agents will then try to have passed a responsibility act. This is the only concrete legislation the agents have in mind at this time.

"Insure Your Agency" was covered by J. W. Oliphant, Chattanooga, former state president.

Frank Ziegler, Nashville, discussed traffic safety laws. He said there is a real need for a drivers' license law in Tennessee. He urged passage of such a law during the next session of the legislature. Every member of the association should get in touch with the legisla-

tors and point out the value of this law. He believes the bill will be passed. The governor-elect is pledged to support such a bill and the press of the state and many organizations are also for it.

"The Threat of Cooperative Buying" was discussed by J. H. Hines, Atlanta.

E. M. Allen, vice-president National Surety, who is a former president of the National association and a big favorite with the Tennessee agents, spoke on "Cost in Compensation."

At the executive session resolutions were presented by S. M. Williamson, Memphis, president of the association in 1935. All the resolutions were adopted as presented.

Balie P. Gross, Nashville, chairman, reported for the auditing committee.

A suggestion was made that the secretary get up a roster of the membership and also a statement showing the financial condition of the state body to be sent to each member. This will be done.

J. W. Oliphant, Chattanooga, invited the members to hold the 1937 meeting in Chattanooga. The invitation was accepted.

The report of the nominating committee was given by J. W. Oliphant, its chairman.

In his report as secretary-treasurer, Leslie M. Ross told of the steady growth in membership during the last three years, the total now being 283. He gave credit to Phelps Smith for his successful work as chairman of the membership committee.

J. W. Oliphant of Chattanooga, former Tennessee association president, told about the achievements of the organized agents and what the National association had accomplished. There are many vexing problems still unsolved, especially financed automobile insurance, production branch offices, retrospective rating plan for large compensation risks, wholesale insurance, stabilization of commissions, surety bonds and governmental contracts. In Tennessee, he said the agents are deeply interested in the passage of such desirable legislation as a financial responsibility, driver's license and guest law designed to lessen automobile accidents. Mr. Oliphant feels that progress is being made in insurance right along.

Winner Represents Field

Men on Agents' Program

W. E. Minner, Jr., Aetna Fire, president Tennessee Fire Underwriters Association, represented the field men on the program, he devoting himself largely to the cooperative movement, centering about the Business Development Office in New York City which deals with non-stock competition. He said that through this medium it is hoped to enable the agents to protect the 85 percent of the business to be had which they now have and to secure some of the 15 percent of the business which they do not have. He referred to the "flying squadron" of the Tennessee Fire Underwriters Association composed of field men who are ready at any time to assist local agents where they are faced with non-stock competition. He believes that with the joint action of agents and field men much will be accomplished. The field men, he said, are perfectly willing at any time to rush to the colors and render assistance.

Mr. Minner stated that undoubtedly the greed for business has been responsible for some companies appointing agents that are not qualified but he expressed the thought that with a more marked degree of cooperation many of the problems can be solved and abuses eliminated. He declared that perhaps in the past there has been too strong a tendency to draw a hard and fast line between company and agency operation and the common ground has been neglected.

J. Virgil Richards

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FIRE INSURANCE ADJUSTERS

NASHVILLE, TENNESSEE

Greetings to Tennessee Association of Insurance Agents

Activities at Tennessee Agents' Meeting Reviewed

(CONTINUED FROM PAGE 39)

C. W. Fischer, Chicago, underwriting superintendent; H. B. Long, Knoxville, special agent; J. H. Goodin, Jackson, special agent; John O. Street, Nashville, special agent; C. B. Stout, Jr., Nashville, special agent Hartford Accident, and Paul A. Dow, Louisville manager Hartford Accident.

* * *

The Firemen's group held open house. A. L. Williams, Nashville; S. L. Hutchins, Nashville; J. W. Borland, Nashville, state agents, acted as hosts.

* * *

The western department of the **North America** was represented by Manager W. H. Riker.

* * *

At the suggestion of L. B. Corley, Nashville, flowers were sent to the home of **Fred Warren**, well known and popular field man in Tennessee, who suffered an injury a couple of months ago.

* * *

Charles B. H. Loventhal, Nashville, chairman of the legislative committee, was suffering from a severe cold and asked the indulgence of his audience while reading his report.

* * *

J. W. Oliphant, Chattanooga, was chairman of the nominating committee. The other members were: M. C. Maney, Murfreesboro; A. V. Patton, Jackson; C. P. Edwards, Kingsport; Miss Mary Townes, Huntington.

* * *

A telegram containing congratulations and best wishes was received from the **National association**, signed by President W. Owen Wilson, C. F. Liscomb, chairman of the executive committee, and Walter H. Bennett, secretary.

* * *

Fifteen of the agents from **Chattanooga** were present at this year's meeting.

* * *

There was a joint meeting of the business development committee.

* * *

The legislative committee met and discussed plans for the proposed legislation during the next session.

* * *

William Quaid, New York City, vice-president of the **Home group**, and Arthur C. Borg, New York City, advertising manager, J. C. Schmitt, A. B. Scott and M. J. Davis, Nashville, special agents, held open house for their companies.

* * *

H. H. Corson, Nashville, immediate past president, was in the chair at all the business sessions and performed in fine style.

* * *

The **Nashville** agents were given a vote of thanks for their efficient manner of handling the details of the meeting. Mark Bradford was general chairman, H. H. Corson headed the program committee, Irvine Chase banquet and dance, H. Phelps Smith, registration and finance, Reeves Handley, Nashville registration, Balie P. Gross, entertainment and Douglas Hall invitations and publicity.

* * *

J. H. Hines, Atlanta, of Hines Bros. southern managers **Crum & Forster** companies, Harry Haynes, Atlanta, agency superintendent; J. L. Caldwell, Nashville, state agent, and C. R. Nichols, Atlanta, special agent, acted as hosts for their company during the meeting.

* * *

R. R. Wilde, secretary Corroon & Reynolds, attended the meeting this year.

Jottings Off the Record at the W. I. B. Muster

(CONTINUED FROM PAGE 21)

T. A. Pettigrew, president and general manager Underwriters Adjusting, was accompanied by Mrs. Pettigrew.

* * *

J. J. Brummel of Brummel Brothers, Chicago, was vacationing at the Greenbrier a few days. He is a vice-president of the Security and a director of the Globe & Republic. Mrs. Brummel and their daughter were with him.

Consumer Cooperatives Attacked by J. H. Hines

Consumer cooperatives were criticised bitterly by J. H. Hines of Hines Brothers, Atlanta, southern managers **Crum & Forster**, in his talk to the Tennessee Association of Insurance Agents. Mass production on one hand and distribution through consumer cooperatives on the other will only lead to lower standards of living and less liberty, according to Mr. Hines. Perseverance, ingenuity and salesmanship of the middleman in American life have raised the living standards. He must be conscious of his duty to the system that has made him independent and prosperous but to plan to short-circuit the other fellow's profit is unsound and unselfish reasoning. "If there ever was a time when those business men interested in preserving the profit motive should stand together, resisting all cooperative schemes, it is now."

"In order that we may keep our business sound and justify the profit motive and the capitalistic system, it is necessary for us to do a little straight thinking," declared Mr. Hines. "If we do not keep agency commission, company expense and underwriting practices within the bounds of moderation the public will surely step in and put an end to, or seriously impair, the opportunities in our business. We must fight only for a sufficient differential of cost over the cooperative plan to support the employed capital and the broader service of stock insurance."

MARINE NEWS

Confer on Wisconsin Issue

Several informal conferences have been held lately by those representing the fire and marine interests and Commissioner Mortensen of Wisconsin to exchange views and determine what can be done in connection with Mr. Mortensen's desire to exercise a certain measure of control over marine insurance in his state. Mr. Mortensen issued a ruling that all except certain marine coverages must be rated and stamped in the state. The companies felt that the ruling would interfere with the natural flow of marine business and they petitioned for a rehearing. Subsequently discussions have been held with the commissioner. Among the suggestions advanced is that Mr. Mortensen issue a definition of the marine business that would fit the requirements of all parties.

This is a difficult situation to handle. Some believe that a solution may be worked out in Wisconsin that will serve as a guide for other states.

Award for Lake Collision

BUFFALO, Oct. 28.—Damages in a sum yet to be fixed have been awarded in federal court here to the Great Lakes Transit Corporation, which brought suit after its steamer, the "P. E. Crowley," collided with the "Arcturus" of the Interlake Steamship Co., of Erie, Pa.

The Great Lakes company sued for \$40,000 and the Interlake for \$80,000. A commissioner will fix the damages.

Kansas City Marine School

A marine school for Kansas City office men and brokers of the Automobile of Hartford was conducted Tuesday by Mark Campbell, head of the marine department, and P. B. Moran and Harry Cleveland of the Chicago office.

Drew Seaver With Agency

Drew Seaver joined the New York City agency of Crehore & Richardson as head of the marine department. He takes the place of J. A. Murphy, who has joined the Lumbermen's at Philadelphia. Mr. Seaver for the past two years has been with the Fireman's Fund in New York.

The Insurance Exchange of Chattanooga Extends Greetings

To the **TENNESSEE ASSOCIATION of INSURANCE AGENTS** and offers congratulations on the successful annual convention just held.

//

We cordially invite the Tennessee Agents to come to Chattanooga in 1937.

Interstate Life & Accident Co.

Home Office
Chattanooga, Tenn.

Dr. J. W. JOHNSON, President

ESCAPES

THERE ARE TWO
VARIETIES

ONE IS—
ESCAPE FROM A
TIGHT PLACE

AND ONE IS—
ESCAPE A TIGHT
PLACE BEFORE
GETTING INTO IT

TAKE YOUR CHOICE
BY
CAREFUL DRIVING

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

**EMPLOYERS
REINSURANCE
CORPORATION**
E. G. TRIMBLE, President

The NATIONAL UNDERWRITER

October 29, 1936

CASUALTY AND SURETY SECTION

Page Forty-three

Truckmen As Unit Shop for Coverage

Association Authorizes Insurance Committee to Represent Members in Dealings

REJECT TRADE MUTUAL

Lively Debate at Chicago Convention—Negotiations Now Being Conducted with Markel of Richmond

By J. C. O'CONNOR

By a close vote, the American Trucking Associations gave its insurance committee power to recommend insurance through one company or association, if the committee can come to a satisfactory agreement for handling long haul business with some acceptable carrier or carriers. It was explained, however, that no action taken by the committee would be in any way mandatory on the members, nor obligate them to place their insurance anywhere. Vote on this matter came near the end of the annual convention of the A. T. A. in Chicago, at which insurance was the most interesting point of discussion.

At the same time, the association by an overwhelming vote indefinitely postponed any plans for starting a mutual or reciprocal on its own account. The insurance committee was also empowered to continue its negotiations and to take all practicable steps to make insurance as economical and efficient as possible for its members, particularly with a view toward establishing a nation-wide organization to handle inspection, safety work and claims.

Prolonged Argument

The insurance issue was a lively one and the report of the insurance committee and the arguments over the policies of the association ran far beyond the allotted time. The session at which the report was presented was finally adjourned in the midst of the discussion over the A. T. A.'s endorsement of any particular insurance plan. News of the argument spread rapidly and the next session had the largest crowd of any during the convention, those in attendance waiting patiently through set speech and an elongated election of officers before the insurance issue was again resumed.

H. D. Horton of Charlotte, N. C., chairman of the insurance committee, was strongly in favor of group bargaining for insurance, declaring that without this the committee could not accomplish anything in its negotiations. His recommendations were silent as regards group bargaining, merely requesting that the committee be authorized to proceed with its negotiations. An amendment to this recommendation

(CONTINUED ON PAGE 54)

Whittling Down Claims Aids Faker, Botein Says

NEW YORK, Oct. 28.—Insurance companies should stamp out every vestige of a system "whereby a ruthless adjuster can settle a meritorious case for an unconscionably low figure," not only on moral grounds but as a matter of sound business, Bernard Botein, assistant district attorney in charge of the New York county accident fraud bureau, declared at the annual dinner of the General Brokers Association. The public antagonism against insurance companies resulting from even a few of such cases is a large factor in making possible the success of accident fraud rings which Mr. Botein's bureau has been formed to break up.

Vice-president G. S. Van Schaick of the New York Life, former insurance superintendent, was toastmaster. Other speakers were Superintendent Pink of the New York department, and Paul Simon, president of the association.

Most Cases Are Padded

Saying that it is impossible to estimate how many cases are fakes from their inception, Mr. Botein had no hesitation in saying that the majority of claims presented to insurance companies contain substantial elements of fraud in padding of injuries or damages and in exaggeration of facts.

"This is purely because the average claimant and lawyer feel that they cannot get a fair settlement without resorting to such tactics," he continued. "When otherwise honest laymen and reasonably ethical lawyers feel that it is not dishonest to make false representations to an insurance company, it behooves those companies to ask themselves why, and to ponder about what could be done to bring about a more wholesome approach.

Blames Both Sides

"The fault lies on both sides. The claimant feels that he cannot honestly go to an insurance company, and give the unadulterated particulars of his case. The insurance companies, on the other hand, have been so burnt by fraud that they have come to regard with suspicion every claim that is presented. Neither is willing to undergo the sacrifices of making the first advances. Each regards this flagrant exaggeration as a ritual to be later disregarded when getting down to the brass tacks of determining the real merits of the case.

"I think that as a practical matter, as a matter of economics, and of dollars and cents, the companies should take the first step. In the wake of social security legislation, security exchange control, and similar thought-provoking enactments, there may soon evolve an articulate sentiment that insurance companies owe a duty to claimants as well as to stockholders and policyholders. Agitation may arise that insurance companies are quasi-public organizations, and that as such, they owe a social duty to the claimant portion of the public. It may be argued that the average claimant, ignorant, unversed in legal ways, is over-matched in negotiations with trained company representatives. That the ethics of the market place, the theory of caveat emptor, and of ordinary

commercial intercourse, should not prevail between such unequal adversaries.

"I strongly condemn any system whereby a ruthless adjuster can settle a meritorious case for an unconscionably low figure. Not only do I deprecate it morally, but I am firmly convinced that it is poor business from the company's viewpoint. In all fairness, I must say that as a matter of policy this course is not condoned by most companies, but are the acts of overzealous adjusters seeking approbation from claim superintendents.

"But frequent or infrequent, they stick out like sore thumbs. The profits made on such transactions are lost many times over by the hostility engendered when the victim discovers that he has been duped, and tells the whole neighborhood about it. It is because of this bad feeling that jurymen love to soak the insurance companies; witnesses lean towards the plaintiff's side in describing the accident, and that otherwise honest people feel it is no crime to steal from an insurance company.

"If claimants felt they could get a fair deal from companies, they would not

(CONTINUED ON PAGE 54)

Joseph Futz Has Run His Cousin to Earth

EIGHTY-FOUR, PA., Oct. 28.—Joseph Futz, resourceful local insurance man, has run to earth the person who brought influence to bear to debar him from a post on the executive committee of the National Association of Insurance Agents, whose notable convention he attended at Pittsburgh. At that meeting Mr. Futz was assured by two of the chief officers that he would be recognized because of his sterling worth, prestige and usefulness to the business. He employed a retired farmer living at Coon Island, Jerd Brill, who had taken a correspondence course in being a detective. He finds that George Futz, who has the filling station at Eighty-Four, who is a cousin of Joseph, being jealous of Joseph's popularity in the insurance world, convinced the officials of his company, the Farm Mutual Automobile Casualty Insurance Association of Aliquippa, to take the matter up with some of the gigantic companies in the east and through their pressure on the agency officials a man in Texas was appointed instead of Mr. Futz. Joseph Futz has taken up the matter with Hon. Hunt, Pennsylvania insurance commissioner, charging his cousin with conspiracy and insisting that his license be canceled. Joseph Futz notified the eminent commissioner that this is an opportunity for him to render a distinguished public service to honest insurance.

De Celles Seeks to Inflame Agent

Tells Massachusetts Producers, Companies Are Prepared to Desert Them

THREATENS STATE FUND

Massachusetts Commissioner Tries to Win Field Workers to His Side in Rate Fight

Commissioner DeCelles of Massachusetts, in addressing the annual meeting of the local agents association of his state in Springfield, undertook to win the producers to his side of the row with the companies over the 1937 rates for automobile liability insurance under the compulsory law. He made the inflammatory statement that the companies are preparing to desert their agents in Massachusetts by rejecting much of their business and to engage in direct writing.

"In a measure of self-justification and in attempting to adjust their conscience to this unfair act," he said, "certain company officials have attempted to pass the buck to the insurance department and will blame the recent reduction in compulsory automobile rates for a wholesale reduction of agency forces—an act that was contemplated for years before I assumed office."

Should See Agent's Problem

Mr. DeCelles eulogized the agency system and stated if it is to be preserved in Massachusetts "certain company officials must stop justifying their actions by blaming the insurance department. They must, in turn, make an honest attempt to see the agent's problem through the agent's eyes."

He said he looks with aversion upon the unwarranted interference of business men in the legitimate field of government. Licensed companies and agents, he declared, must accept the conditions that the legislature sets up for their operation.

"When these conditions begin to operate," he declared, "you should not rail at me, but you should go back and read your insurance law and realize that this is a part of your solemn obligation in return for which the public gives you the right to operate."

The speaker said that due to the fact that the rate issue is now before the court he could not discuss it. Mr. DeCelles decreed that the 1937 liability rates be reduced an average of 7 percent. The companies have contested this in the courts.

Mr. DeCelles quoted William Magoun, manager of the rating bureau, as stating that the 1937 rates were not arbitrary and were sound "so far as they go." Mr. DeCelles denied that politics had entered into the rate

(CONTINUED ON PAGE 55)

Allen Touches on Commission Topic

Points Out Danger of the Agents' Insisting on Excess Scale

BASE MUST EVER BE FAIR

National Surety Vice-President Shows Inconsistency of Representation of Two Classes of Companies

E. M. Allen, vice-president National Surety, in his address before the Tennessee Association of Insurance Agents at Nashville, touched on the question of commissions to agents on large government contract bonds. At the meetings of the National Association of Insurance Agents its surety committee had made very bitter complaint of the policy of the companies in cutting down acquisition cost on these bonds in order to reduce the price, thus allowing the agents to bear the entire burden and the companies sustaining none. A plea was made that the companies should bear the decrease equally with the agents. If the government demands a lower rate and the companies see fit to grant it then the agents themselves should not be called upon to make the entire sacrifice, they claimed.

Criticism of Acquisition Cost

Mr. Allen stated that when this question was under discussion in Washington in 1931, criticism of government officials was directed squarely and solely against the acquisition cost. There was no suggestion on their part that the companies should contribute any part of their net premiums. These bonds were required by the government and therefore the position was taken that if a commission of 30 percent were paid, many of these projects would have produced commissions in excess of \$100,000. Mr. Allen said that any reasonable man would conclude that such commissions were not earned and the charge would be made that it was a wilful waste of money.

Must Have Justifiable Defense

The scandal that resulted from the distribution of commissions in connection with the bond for the San Gabriel dam, Mr. Allen declared, is still fresh in the minds of the people. The principles governing the business, he said invariably must have an equitable and justifiable defense at all times. Certain details, he admitted, in connection with the rating of these large risks may require modification, but, he expressed it as his firm conviction, that the organized agents for their own protection should recognize the danger in excessive costs and should insist upon a fair and equitable basis of compensation predicated on the value of the service performed.

State Insurance Funds

The speaker called attention to an increasing tendency on part of some states to establish insurance funds. A few have such laws in effect. In most instances the disturbance arose through the bad experience of companies on public official bonds. In Tennessee, for example, the surety companies operated at a loss for 12 consecutive years, finally making a small profit last year. For 10 years the fidelity business alone produced a loss ratio of 61.4 percent in Tennessee. Mr. Allen said that existing laws in most states do not throw sufficient safeguards around the funds of taxpayers in the custody of public

(CONTINUED ON LAST PAGE)

Bring Out \$500 Residence Burglary Blanket Policy

PLAN REJECTED BY BUREAU

Indemnity of North America Meets Demand from Lower Salaried People for Inexpensive Cover

A \$500 residence burglary policy designed for lower salaried "white collar" assured has been introduced by the Indemnity of North America. It is written at slightly lower rates than the standard burglary forms and is somewhat more restricted in coverage.

The policy, called the blanket residence theft contract, contains no restrictions on jewelry, silverware and furs, or division of insurance. It covers all personal property of the insured and his family, except money, securities, stamp and coin collections. It does not cover property of employees and property in porches, entrances, private garages and outbuildings.

Territorial Rates Given

Rates for \$500 coverage are as follows: Territory I, \$15, Territory II, \$13, Territory III, \$10, Territory IV, \$7.50, Territory V, \$15, Territory VI, \$9. These rates for \$500 coverage are less than half those charged for \$1,000 coverage under the standard forms.

In announcing the policy, H. B. Montgomery, assistant secretary, stated that it is intended to reach the large class of persons who are interested in burglary insurance, but for whom the premiums for the minimum of \$1,000 insurance under the standard forms are too high.

Recently there has been considerable demand made on the National Bureau of Casualty & Surety Underwriters to permit the issuing of \$500 policies under the standard forms and many insurance men expected them to be authorized when burglary rates were revised recently. The proposal, however, was turned down. The Indemnity of North America, a non-bureau company, apparently feels that a smaller policy is needed and can be written successfully.

The \$500 contract was first written in Philadelphia, then on the Pacific Coast, Minneapolis, St. Paul and Cincinnati, as an experiment. Satisfied with results and experience, the company is now writing it countrywide, except in Alabama, Florida, Georgia, Louisiana, Mississippi, New York, Oregon, Tennessee and Washington.

Wallace Stevens Given "Nation's" Poetry Prize

Wallace Stevens, vice-president of the Hartford Accident, has been awarded the "Nation's" poetry prize for 1936 for the best poem submitted by an American. His poem, "The Men That Are Falling," chosen by the editors from nearly 2,000 poems entered in the contest, appears in the autumn book number of the publication. Mr. Stevens was born in 1879 in Reading, Pa., and was graduated from Harvard in 1901. After a career in journalism and law, in 1916 he joined the staff of his present company where, since that time he has supervised the general legal work. He was elected vice-president in 1934.

Mr. Stevens' career as a poet has been notable for the frugality of his output and for a scrupulous regard for craft equalled by few of the present-day poets. His first volume, "Harmonium," was published in 1923. More recently, his "Ideas of Order" was published in a limited edition by the Alcestis Press and is being reissued this week by Alfred A. Knopf. His new volume, "Owl's Clover," will be published by the Alcestis Press Nov. 1.

Decide Against Requiring Cook County Cash Deposit

NOT TO BURDEN SURETIES

Judges Will Present the Matter to Illinois Legislature Without Recommendation, However

The proposal that surety companies writing bonds under the jurisdiction of courts in Cook county, Ill., be required to make cash deposits was turned down by the chief justices of the five courts of record in that county, the decision following an exhaustive hearing and being reserved for two weeks. This matter came up at what is usually a routine session, the annual hearing for the qualifying of surety carriers in these courts.

The judges stated they felt they had no authority to make such a requirement, this being a matter for the legislature. They announced that at the next session of the assembly they would report the matter to the judiciary committee, without any recommendation.

Reciprocity Laws Cited

At the hearing, Frederick Burnham of the law firm of Mayer, Meyer, Austrian & Platt represented the companies and Director Palmer the insurance department. Mr. Palmer and the companies both opposed the proposal on the ground that it would violate the provisions of the Illinois reciprocity statutes, relieving foreign carriers of deposit requirements where the other state did not impose such requirements on Illinois companies and would also subject Illinois companies to the retaliatory provisions of other state laws. Chicago newspapers gave publicity to the fact that the United States Fidelity & Guaranty was kept on the approved list, in spite of the fact that it has not paid anything under the bond of Robert M. Sweitzer, who was removed as county treasurer, following disclosure of a shortage of more than \$300,000 in his former office of county clerk. The U. S. F. & G. was his surety while he was county clerk. Actually, no charge was made against the company, nor could any valid reason for questioning its approval have been found, since liability on the Sweitzer bond has not been determined.

Removal of Suits Hit

The judges went on record as disapproving any removal by the companies of suits involving bonds posted in their courts to federal courts. They stated they cannot prevent this, but feel that it is highly reprehensible for a company which has qualified in a court as a surety to refuse to let that court pass upon its liability.

Mr. Burnham stated that to the best of his knowledge no association surety company had ever done this. Judge Kelly of the superior court mentioned one instance, but could not recall the name of the carrier.

Hoosier Casualty Reports Gains

The Hoosier Casualty of Indianapolis reports very substantial gains in business this year. It is now pretty certain that the premium income of the company will exceed \$1,000,000 in 1936, which will be a 30 percent increase over last year. The assets now exceed \$1,000,000. Because of growing business it has been necessary for the company to increase its home office space and it is taking over all of the 15th floor of the Fletcher Trust building excepting one small office. It already occupies practically all of the 16th floor.

New York Club to Meet

The Accident & Health Club of New York will meet Nov. 5 in the Hotel Martinique, New York City, when an entertainment program will be given by the "De Luxe All-Star A. & H. Amateurs."

Hold Long Hearing on Pacific Mutual

Los Angeles Court Bars Testimony Irrelevant to Carpenter Rehabilitation Plan

INTERVENORS TAKE PART

California Commissioner Insists on Approval of His Plan or Modification—Otherwise, Liquidation

Only testimony relating directly to the question whether the Pacific Mutual rehabilitation plan of Commissioner Carpenter of California should be approved or disapproved was permitted by Superior Judge Willis of Los Angeles to go into the record at the extended hearing there. Attempts of various interests to develop testimony relating to alleged misconduct of officials was barred.

Judge Willis ruled that he would consider no rehabilitation plan that excluded shareholders from participation.

Commissioner Carpenter's rehabilitation proposal would protect the rights of life policyholders against liens in case there should be liquidation proceedings later on, he testified under cross-examination. He brought out that while non-participating policyholders would be barred from starting mutualization proceedings, they would be entitled to take part in the final voting on such a proposal.

It was also shown that Commissioner Boney of North Carolina filed a letter with the court endorsing the Giannini proposal on the basis of \$12,000,000 being contributed to the company and the life business cash assets being regarded as open to the claims of all parties.

Opposed to Liquidation

Mr. Carpenter deplored any thought of liquidation, pointing out that the new company has been granted certificates of authority in 34 states, all issued strictly by reason of the new plan meeting all legal requirements and not because of the special considerations involved. Further efforts were made to have acts of the present and former Pacific Mutual officials, this time dealing with employment of counsel, read into the record, but Judge Willis ruled adversely.

Commissioner Carpenter testified he would not approve the transferring of assets from the life department to the accident department, and he protested against the percentage of profit to go to the non-can policyholders being increased from 10 to 20, as well as against exchanging assets between the life and accident departments and the setting up of old and new participating departments.

Carpenter on Stand

Commissioner Carpenter spent a great deal of time on the stand, outlining his plan and being cross-examined by counsel for policyholders who filed the action attacking Mr. Carpenter's plan upon which the hearings are being held. Several intervening attorneys took turns at questioning him.

The suggestions of intervening attorneys that the court had power now to control and direct who should manage the new company, Judge Willis said, if adopted "would imply or include the continuing power of this court over who shall manage that company for the next 15 or 20 years."

Commissioner Carpenter was on the stand at the hearing, being cross examined.

(CONTINUED ON PAGE 55)

Considers Future of Auto Insurance

H. P. Stellwagen of Indemnity of North America Addresses Tennessee Agents at Nashville

SEES RATING OF DRIVERS

State Regulation, Often Supported by Agents, Gives an Advantage to Mutual Carriers

Speaking at the convention of the Tennessee Association of Insurance Agents at Nashville last week, H. P. Stellwagen, vice-president of the Indemnity of North America, discussed "The Past, Present and the Future of Automobile Liability Insurance." The North America has pioneered on various developments in automobile insurance and Mr. Stellwagen is regarded as a keen analyst of the business. That all is not rosy, in his opinion, might be guessed from his introductory remark that it is hard to maintain a spirit of indifference or complacency for the future if we honestly and without prejudice take cognizance of facts and tendencies which are manifest today.

Gains by Mutuals

Mr. Stellwagen frankly referred to the increasingly larger percentage of the automobile business written by the mutuals, and analyzed the figures in the casualty experience exhibit of the New York department on stock and mutual companies. Taking the five years, 1931 to 1935 inclusive, he showed some interesting ratios: Loss ratio, mutuals, 45 percent, stock, 52 percent; acquisition cost, which includes commissions, mutuals, 13 percent, stock, 25 percent; claim expense, mutuals, 11 percent, stock, 12 percent; all other expense, which includes taxes, mutual, 9 percent and stock, 11 percent. Adding these up gives the mutuals 78 percent and the stock companies 100 percent, an aggregate difference of 22 points, without any allowance for profit which the stockholders of stock companies are entitled to.

Results Over 10 Year Period

Four principal topics were discussed by Mr. Stellwagen. These were rates, rating methods, legislation and competition. He referred to the casualty experience exhibit based on sworn statements by all companies licensed in New York. There were 53 stock companies writing automobile liability and property damage, and 25 automobile mutuals shown in the exhibit for the 10 year period 1926 to 1935. Stock and mutual wrote \$227,000,000 in premiums in 1935, representing 71 percent of all automobile liability and property damage premiums, so that the showing is representative. During the 10 year period the stock companies suffered an underwriting loss of \$18,315,000 or approximately 1 percent on their 10 year writings of \$1,917,000,000. The mutual companies had a profit of \$56,000,000, which is approximately 20 percent on their 10 year writings of \$276,000,000.

Rate Reductions Unlikely

After analyzing some of the experience in different years, Mr. Stellwagen came to the conclusion that it is not reasonable to anticipate a general reduction in rate levels. There will be local changes up or down, but the general level will fluctuate only narrowly. He also called attention to the indication that the mutual companies are enabled to pay a dividend on a scale of rates

(CONTINUED ON PAGE 52)

Illinois Problem: What to Do With Impaired Worker

Physical examination of employees in industries affected by silica dust hazard in Illinois has disclosed that a large percentage of these workers are afflicted to some degree with silicosis. This presents a big problem to the employer. Most of these men have been unaware of their impairment and have been working normally.

All of the employers would like to make provision for these men but only the larger and more financially responsible employers are able to do so.

The majority of the workers who are affected have been at their task for a good many years. Some of them are skilled workers and their replacement is difficult. Some of the employers have advertised for new men to take their places. It is found that most of the new men who apply for the position are also silicotic.

Don't Have Resources

All of the employers are loathe to dismiss workers who are afflicted with silicosis, but the smaller and less financially responsible ones are being driven to this course. They don't have the resources to put up with the insurance company a reserve to guarantee the effectiveness of a hold harmless agreement on account of employees afflicted with silicosis when the new Illinois occupational disease law went into effect. Even where the employees do sign a 50 percent waiver of benefits, which is permitted under the law, the reserve that employers in an industry involving the silica dust hazard to any appreciable extent, would have to put up would be very often a burden that they could not carry. The employee is not permitted to waive more than 50 percent of his benefits.

The plight of these employees is tragic and the insurance companies are impressed with the desire of practically all employers to make some sort of an arrangement that will obviate the necessity of dismissing these employees.

Group Insurance Feature

Some employees are hit, because they have been covered under group life insurance certificates. Although these certificates may provide for conversion when the individual assured terminates his employment yet the cost of converting at the attained age, plus the extra rating that the life company would exact knowing that a silicotic condition existed, is a burden that many of these employees will not be able to carry, especially since they are out of work and it will be exceedingly difficult for them to get new employment in their physical condition.

The examinations that have been conducted have revealed a multitude of impairments among wage earners of a non-occupational nature. So far as can be determined no employer is taking advantage of the situation to disturb employees who are affected by non-occupational impairments.

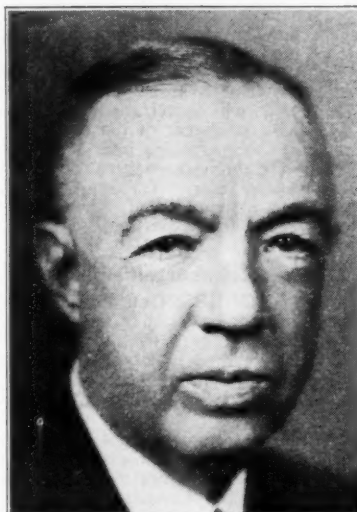
D. J. Cronin Is Questioned

The first fall meeting of the Casualty Underwriters Association of Chicago was a round table on the new Illinois disease law. It brought out an overflow attendance and the same subject was continued to the next meeting, Nov. 18. D. J. Cronin of the industrial commission was on hand to answer questions.

The questions from the floor naturally were on diverse subjects. It was brought out that when an employer has once accepted the act, he can reject it only during the 60 days prior to Oct. 1, 1937, '38, '39, '40 or 1941. After Oct.

(CONTINUED ON PAGE 52)

Acting Manager



CLAUDE W. FAIRCHILD

Claude W. Fairchild in the revision of top personnel in the Association of Casualty & Surety Executives continues as assistant manager and is made acting manager as well. Mr. Fairchild is well known to the business. He served as Colorado insurance commissioner and as president of the National Convention of Insurance Commissioners. He has been doing legislative and public relations work for the casualty business about 10 years.

Special Maine Commission Holds a Hearing in Boston

BOSTON, Oct. 28.—The special Maine Commission studying the advisability of a compulsory automobile liability insurance law for that state met here and heard arguments by William Leslie, the new general manager National Bureau of Casualty & Surety Underwriters; John W. Downs, counsel Insurance Federation of Massachusetts; W. N. Magoun, manager Massachusetts Automobile Rating & Accident Prevention Bureau, and J. W. Cronin, counsel Liberty Mutual.

Maine Rate Level Constant

Mr. Leslie said Massachusetts' experience under the compulsory law had resulted in a 35 percent increase in the rate level, while the Maine rate level had increased but .2 of 1 percent, 1927-1935 inclusive. The Massachusetts increase would have been 48 percent said Mr. Leslie, if allowance had been made for normal acquisition cost allowed in other states. The rate level for the nine-year period increased 1.6 percent in New York, 34.4 percent in Connecticut, 15.5 percent in New Hampshire, 13.3 percent in Vermont and 12.5 percent in Rhode Island.

Mr. Cronin spoke in favor of state regulation of rates, whether the compulsory system is adopted or not.

Effect of Brake Inspection

Traffic fatalities were reduced 6 percent for the first seven months in the 13 states in which some form of compulsory brake inspection has been put in effect, according to preliminary official figures. This compares with a reduction in fatalities of less than 1 percent in the 35 states in which no compulsory inspection is in force as yet. The 6 percent figure is particularly striking in that in all previous accident tabulations bad brakes have been blamed for only about 1 percent of the fatal accidents.

The Utica Mutual, Utica, N. Y., has applied for admission to California.

Effect New Lineup in the Two Bodies

National Bureau Will Hereafter Be Free from All Legislative Functions

MOVE WAS ANTICIPATED

Association of Casualty & Surety Executives Thus Assumes Greater Importance in the Business

NEW YORK, Oct. 28.—The important changes in the administration and future activities of the Association of Casualty & Surety Executives and of the National Bureau of Casualty & Surety Underwriters, determined upon at the annual meetings of the two organizations last week had been generally anticipated, in degree at least, by the fraternity for some time. It had been known, for example, that the meetings of each of the associations, which should have taken place last May, had been deferred until the special committee named to consider a general organization program was ready to report. It was further currently rumored that all functions, other than those of a strictly rate-making nature were to be divorced from the National Bureau and assumed by the Association of Casualty & Surety Executives.

Scope of the Membership

Membership in the latter body is almost three times that of the former, the company enrollment in the association being 56 compared with 19 for the bureau. The difference is accounted for in part by the fact that a number of offices identified with the former body write surety lines only. There are, however, several highly important casualty offices outside the bureau ranks. It was felt by the reorganization committee that the non-bureau as well as the affiliated companies profited through the work of the accident prevention and fraudulent claim detection divisions of the bureau, and should share in the expense of these activities. Hence the decision to transfer their future supervision to the association.

Bureau's Functions Limited

From now on, as officially announced, "the National Bureau will devote its entire attention to the important services it now performs for its members in the development and promulgation of rules and rates for various casualty insurance coverages." William Leslie was named general manager. Mr. Leslie, who had previously been associate general manager, is an actuary of wide experience and of fine executive capacity. In addition to his technical knowledge he has personality plus and is popular with agents as well as company executives. His eminent fitness for his present responsible post is everywhere recognized.

Developed from Old Body

The National Bureau is the development of the Bureau of Liability Insurance Statistics, formed in 1896, being succeeded by the Workmen's Compensation Service & Information Bureau 15 years later. That body in turn was replaced by the present organization in 1921, Jesse S. Phillips, then superintendent of New York, being induced to become its general manager. Mr. Phillips was succeeded by J. A. Beha, also a former superintendent of insurance in

(CONTINUED ON PAGE 52)

ACCIDENT AND HEALTH FIELD

Will Meet at White Sulphur

Health & Accident Underwriters Conference to Hold Its Annual Gathering There May 25-27

The annual meeting of the Health & Accident Underwriters Conference will be held at White Sulphur Springs, W. Va., May 25-27. That time and place were selected by the executive committee of the conference at a special meeting in Chicago Friday.

According to the usual custom, 1937 would have been the year for the conference to hold its annual meeting in the east. The eastern companies did not insist on that, however, as they realize that the attendance is usually considerably larger when it is held in the central west. Some of the western company men then suggested White Sulphur Springs as a sort of compromise location, as it would be nearer for the westerners than a point on the Atlantic seaboard, and at the same time more convenient for the eastern contingent than when the meeting is held in Chicago. The meeting is also being held somewhat earlier than usual.

The "open" meeting of the executive committee, which all conference members are privileged to attend, will be held in Chicago some time in February, when reports of special committees will be given.

Glens Falls Indemnity Has Two New Accident Policies

Two new contracts have been issued by the Glens Falls Indemnity. The "combined indemnity" accident policy, issued to men only, provides principal sum for loss of life, capital sum and medical reimbursement up to \$2,000. Rate at ages 16-59 for class A is \$16.70 for \$1,000 principal sum, \$5,000 capital sum and \$500 reimbursement; Class B, \$19.90; Class C, \$23.80; Class D (ages 16-54), \$28.50.

The contract provides unlevel principal sum amounts when desired. It has the usual surgical operation indemnity for scheduled fractures, amputations and dislocations when such losses are not paid under the capital sum provision. Expense incurred on account of hernia is not covered under the reimbursement provision.

The same contract is issued without principal sum for loss of life, under the name of the "popular indemnity" accident policy. This latter contract is sold to both men and women. Rates for this policy with capital sum of \$5,000 and reimbursement of \$500 are: Class A, \$15; B, \$18; C, \$25.

Offers Trip to Mexico

Early in the year, Harry Carlisle of Jackson, Miss., state manager of the Mutual Benefit Health & Accident and United Benefit Life, offered a trip to Mexico for agents that qualified.

The qualifications for this trip are: 400 Club, United Club and Criss Club. For the 400 Club, an agent must pay for 400 health and accident policies per year; for the United Club, \$100,000 of life insurance per year. If an agent is qualified for both the 400 and United Clubs, he automatically becomes a member of the highest club, the Criss Club.

Agents qualifying for the Criss Club are assured a free 15 day trip to Mexico City with all expenses paid. If they qualify for one or the other honorary clubs but not both, they receive the trip with all transportation expense paid.

So far 10 agents have qualified for this trip, with at least five more who will qualify within the next 30 days and several more whose production is up to

where they have a chance of qualifying before the end of the year.

The Mississippi salesmen who will make this trip to Mexico City, leaving Jan. 1, 1937, will be accompanied by Dr. C. C. Criss, president of the companies, and other home office officials; Jesse Clifton, Oklahoma manager; Bert Clifton, Kansas manager; Gus Heuert, Tennessee manager, and Alvin Laser, claim auditor for Mississippi.

Discuss Reimbursement Forms

LOS ANGELES, Oct. 28.—The October luncheon-meeting of the Accident & Health Managers Club of Los Angeles was devoted mainly to discussion of medical reimbursement policies. P. H. Ackerman, R. A. Rowan & Co., past president of the club, was chairman following the business session, at which President E. F. Hanson presided. As it was the birthday of Harry Burford, Continental Casualty, also a past president, he was presented a birthday gift of a humorous character.

Omaha Hospitalization Plan

The Omaha Hospital Association's council has voted to adopt a hospitalization insurance plan which will guarantee three weeks' care a year on payment of annual premiums ranging from \$6 to \$12 a year. A state organization of hospitals has been organized to secure legislation that will reimburse hospitals for care of indigent persons injured in highway accidents.

Nebraska May Require Reserves

LINCOLN, NEB., Oct. 28.—Insurance Director Smrha has been advised by John S. Logan, attorney for the department, that legislation requiring domestic health and accident companies to put up and maintain adequate reserves for payment of claims is necessary. Mr. Logan has been compelled to invoke court action against several of these companies, where the losses totaled a considerable sum, and believes that adequate protection to policyholders requires that the suggested course be followed.

Consider A. & H. Week Ideas

SAN FRANCISCO, Oct. 28.—The Accident & Health Managers Club of San Francisco will meet Nov. 4 to receive and discuss suggestions for proper observance of National Accident & Health Week on the Pacific Coast. The results will be forwarded to the general committee for consideration.

New Inter-Ocean Policy

The Inter-Ocean Casualty has withdrawn its "service" accident policy, series 105-2, and replaced it with a new policy of the same name, series 137. There is an increase in premium, the annual premium for \$100 monthly and \$1,000 accidental death and dismemberment, class AA and B, being \$16.40. It limits accident indemnity to five years of continuous disability, and pays 50 percent additional for hospital for three months instead of two and allows a 10 days grace period for premium payment.

Dubach to Talk in Lincoln

Charles N. Dubach of Chicago, manager of the personal accident division in the western department of the Hartford Accident, will speak before the Rotary Club at Lincoln, Neb., Oct. 29, giving a half-hour talk on the history of accident insurance, how it is written and the need for that coverage.

New Company in Minnesota

The Equitable Mutual of Minneapolis has been licensed in Minnesota to write health, accident and life on the coopera-

tive plan. Charles Bierbaum is president; I. M. Nelson, vice-president, and L. M. Canfield, secretary-treasurer.

Amos October Leader

E. W. Amos, district manager accident and health department Massachusetts Bonding, San Francisco, was national leader of his company for October.

The South Dakota Farmers Aid Corporation has been incorporated to provide health, medical and dental protection to members.

Fidelity-Surety Activities

See Mortgage Bond Holders Coming Out In Good Shape

NEW YORK, Oct. 28.—From practically every section reports continue to come in of the steady appreciation in real estate values. This news is particularly gratifying to such of the surety companies that had large guaranteed mortgage commitments, and to the bondholders. The liquidation bureau of the insurance department handling real estate mortgages has disposed of a considerable number of properties, and with but few exceptions at figures equal to or slightly in excess of their mortgages.

The experience thus far justifies the belief that in the course of the next 10 or 15 years, providing there be no radical reversal in the existing trend, practically all mortgages guaranteed by underwriting institutions will have been satisfactorily disposed of. Bondholders that have elected to take over mortgages in lieu of satisfaction claims, and are able to hold them, it is predicted, will eventually turn a neat investment profit. There will be exceptions to the general rule as to property values, some loans having been made in anticipation of building projects, which were never consummated. In such cases there will be a substantial loss.

When the several surety offices engaged in the mortgage guarantee line, real estate was on the upswing and money was loaned upon a handsome prospectus. The demand for mortgage principal and interest payments that followed the severe deflation was a staggering blow to some of the surety companies and would have been their undoing had not compromise arrangements been effected with bondholders with federal backing. The marked change that has taken place in the real estate field within the past two years in accelerated degree has eased the strain upon surety underwriters to say nothing of the relief afforded the thousands of mortgage bond holders in every section.

Kohlwes Goes to Houston

Cravens, Dargan & Co. of Houston, Tex., announce that H. C. Kohlwes has taken charge of their bond department.

Until recently he was assistant superintendent of the bond department for the Hartford Indemnity at its Pacific Coast headquarters. With this company, he held broad powers and gained a wide and valuable experience.

New York Conference

NEW YORK, Oct. 28.—H. A. Kearney, manager here for the Hartford Accident, will serve as chairman of the third conference of the New York fidelity bond production campaign tomorrow at which talks will be made by C. C. Thomas, C. E. Cooper, Thomas Sweeny and Ralph Seiler, each reciting his experience as a broker in selling fidelity covers. Police Commissioner L. J. Valentine will outline the efforts of the police to detect forgers and other criminals. A notable feature demonstration will be a fidelity bond sales demonstration staged by W. E. Snyder as pro-

SALES IDEAS OF THE WEEK

ENTHUSIASM IMPORTANT

The importance of enthusiasm in selling insurance was stressed by Frank T. Priest, Wichita local agent, at the annual meeting of the Tennessee Association of Insurance Agents. "In this day when all businesses have a rather sorry time of it, we might well look about us and be happy," he declared. "We are in a grand business which withstood the last five years better than most. Do you realize what we have? All in our town are potential customers, every place we go there are prospects. When an agent knows his business and can talk clearly and confidentially, the assured believes in him. I am crazy about the insurance business—there is nothing I would rather do. I expected to make a living for myself and family. I take every possible opportunity to talk about insurance."

Do's and Don'ts

Certain do's and don'ts were outlined by Mr. Priest: "Talk the prospect's language, avoid argument, avoid talking politics and religion, don't do all the talking. Remember in making a sale that sometimes it is the things we don't say that makes the sale. Say a thousandth part of what you know and not a thousand times what you know. Tell them good news. Keep your client interested. Show him pictures of the kind of losses you were telling him might occur in his business. If you are interviewing a prospect and feel that your ammunition has been insufficient or that the prospect is not in a buying mood, suggest that you come back again and bring specific figures and information. It is much easier to go back under such circumstances than after a turndown."

Consider Individual

Service should be given in the manner in which the individual customer likes to do business recognized. Some men do not like to be called on the telephone regarding renewals while others prefer it. Some customers want to be called before renewing, while others would rather have the policies renewed automatically.

"Courtesy costs nothing and buys everything," declared Mr. Priest. "Never overlook an opportunity of telling people your business and asking them if you can take care of their insurance needs. By all means we should solicit our friends for their insurance so that we may be sure it will be properly cared for."

Mr. Priest urged agents solicit business from employees of large concerns for which they handle insurance. Sometimes the people think that the agent doesn't want their business because he never asks for it, he said.

The use of insurance surveys were recommended by Mr. Priest. He estimates that each survey averages \$300 of new premiums for his office. Surveys must be accurate and not slipshod, he said, and "when a man trusts you with his policies of insurance to make a survey, he has a lot of confidence in you. When a customer says he is insurance poor it is immediately up to you to urge a survey, which may show that he only needs a redistribution of his insurance to do the job better, perhaps at less cost."

prietor; William Twamley as office manager; J. R. Rooney as insurance broker; T. I. Hall as bookkeeper and W. R. Ehrmantraut as claim adjuster. The conference will be opened by M. W. Lewis, chairman of the general committee responsible for the present drive. The next conference will take place Nov. 19.

Nevas Agency, Norwalk, Conn., has been incorporated with Nathan Nevass, president and treasurer; Mary E. Hasler, vice-president, and Eva H. Nevass, secretary.



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Tell them about this Company's Government Service Bureau at Washington, the facilities of which are free

to clients of the U. S. F. & G. Send them the booklet describing these facilities. It explains how, through the Bureau, they can obtain full information on Government supply purchases and construction projects in ample time to file bonds and submit bids.

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U. S. F. & G.

UNITED STATES FIDELITY & GUARANTY COMPANY with which is affiliated FIDELITY & GUARANTY FIRE CORPORATION



F. & G. FIRE

HOME OFFICES BALTIMORE

High Surplus Requirement Is Protested by Truckers

NEBRASKANS FILE APPEAL

State Railway Commission Approached Regarding Rule on Insurance Company Eligibility

LINCOLN, NEB., Oct. 28.—Nebraska truckers were a unit in protesting to the state railway commission that when it reaches the point of setting out insurance requirements that it do not follow the regulations it adopted and now enforces with respect to bus and taxicab operations. These regulations provide that no company shall be eligible to write coverage on Nebraska trucks unless authorized to do business in the state (to which no objection is made), unless it has \$300,000 surplus and unless its policies provide for a 10 day notice of cancellation.

See Rate Rise Possibility

Truckers said that most of the insurance written on their equipment is by mutuals and reciprocals that are required to have no more than \$125,000 surplus or in securities on deposit with the department. They said adoption of the \$300,000 rule would give all of the coverage to the "large eastern companies," who, with a monopoly, might still further increase rates.

Objection to the 10 day cancellation notice was based on the fact that in the nature of the trucking business insufficient time would be left to shop for insurance in other companies. The truckers asked a 30 day cancellation notice.

The commission indicated that while it might increase the property damage coverage from \$1,000 to \$5,000, to place the state on the same level as Kansas, it favored the \$5,000 to \$10,000 limit for liability to persons and the \$1,000 to

\$2,000 cargo insurance limit, as fixed by the Interstate Commerce Commission. Less than 5,000 trucks have applied for certificates of convenience and necessity. This includes interstate operators, and it was agreed that where they perform intra-state service they will not be required to take out additional insurance but will be allowed to operate if the insurance company files with the state a certificate of coverage for state operations also. The commission has no money to enforce rates, and adoption of a rate schedule will probably await legislative appropriation.

OKLAHOMA HEARING SET

OKLAHOMA CITY, Oct. 28.—A hearing has been set by the Oklahoma Insurance Board for Oct. 30 when an attempt will be made to adjust insurance rates on motor trucks engaged in long hauls. Requests have been issued for all companies writing public liability and property damage in the state, to be represented. Such companies have been requested to submit to the board as soon as possible, their suggestions as to long haul operation. Locally operated trucks will not be affected.

DISCUSS RULES IN OREGON

PORTLAND, ORE., Oct. 28.—Portland insurance men met with the public utility committee of Oregon truckmen for a discussion on the rules and regulations and proposed changes. Objectionable features of a C. O. D. bonding form were discussed and a revised form more satisfactory to insurance companies was submitted to the commission.

Uniform endorsements for use on automobile liability coverages required by the commission were discussed and changes proposed, as were also the cargo coverage requirements.

J. S. Laird, Lamping & Co.; Walter Kroeder, American Auto; Phil Carrell, Associated Indemnity, and Milton Kahn, Oregon Automobile, took active part in the discussions.

Liberalization of Financial Responsibility Now Asked

Since the civil section of the automobile financial responsibility law went into effect in California in 1929 there have been 5,585 suspensions of licenses up to July, 1936, Ray S. Ingels, California director of motor vehicles, said in a talk to the California Association of Insurance Agents. In this period 2,412 persons, or approximately 25 percent, have had their licenses reinstated. There is no way of ascertaining whether or not the civil section of the financial responsibility law tends to reduce accidents and promote safety, he said. The criminal sections, especially those relating to drunken driving, have been definitely beneficial in this regard. The number of repeaters is small, said Mr. Ingels.

Several faults in the law were cited by Mr. Ingels. Once the department requires proof of financial responsibility to be filed, that requirement continues indefinitely and is in effect a life sentence. The department is without power to terminate the requirement, although the person's record after the suspension may be exemplary in every detail over a long period of time. Another difficulty under the present measure is that comparatively few people suspended under the financial responsibility law are able to obtain the necessary insurance in order to give the required proof of financial responsibility. Those able to obtain insurance under such circumstances must pay greatly increased premiums. Under the original law proof of financial responsibility was required of those convicted of purely technical violations. Although this criminal law section has been repealed, the department is without authority to terminate the financial responsibility requirement in these cases.

In Mr. Ingels' opinion the department should be given power to reinstate licenses of minor offenders and the courts

should be given discretionary power in the imposition of penalties on first offenders in the misdemeanor class. The department should have the power to suspend the operation of the financial responsibility penalty for a probationary period and to terminate the requirement if proved satisfactory. A definite period should be set during which proof of financial responsibility should be required with automatic termination, he said.

Highway Safety Campaign Issue

Hartford, Oct. 28.—Highway safety has been brought into the political campaign in Connecticut. A. M. Brown, Republican candidate for governor, has spoken disparagingly of semi-annual inspection of all cars by the state. He says it fails in its purpose of keeping defective vehicles off the highway, that it is an annoyance to car owners as handled by the state, and that it is an additional annual tax of 50 cents per car. Many insurance men believe periodic inspection of drivers is more important than examination of cars. Drivers are responsible for more accidents than are defective cars.

W. L. Cross, Democratic candidate for re-election, has come out strongly in defense of the semi-annual inspection and the Connecticut system of operating it. W. L. Cross, Jr., is motor vehicle department engineer and has been in charge of the installation and operation of the inspection lanes.

N. Y. Burglary Rate Filings

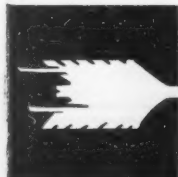
NEW YORK, Oct. 28.—Filings of proposed rate revisions for all forms of burglary and robbery insurance written in this state have been made with the department by the National Bureau of Casualty & Surety Underwriters. As the intended new figures were drafted after a series of conferences between department and bureau representatives, it is assumed they will be approved by Superintendent Pink.

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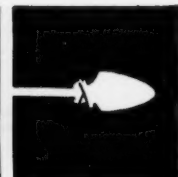
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Direct Mail Companies Are Concerned Over Situation

EXCLUSION IDEA GROWING

Opportunity Missed Several Years Ago to Contest Pennsylvania Law Which Started Trouble

Companies selling insurance by mail after many years of successful production are faced by two dilemmas, both of which affect the volume of their new business. One arises from the fact that their story has been so frequently told in newspaper advertisements, over the radio and by direct mail, that at least in the case of some companies it has lost some of its novelty with the public, and the other is that through lack of cooperation some years ago an opportunity was lost to defeat the movement that is now spreading widely to prohibit their operations in states where they are not licensed.

Both hit directly at new production, which is the life blood of the mail order insurance companies. Ever since organization they have recognized that their lapse rate must be high because policyholders not serviced personally by agents are prone to lapse, and it is necessary to conduct elaborate publicity campaigns at great expense as well as to have a large postage bill for the mail matter. The mail companies, however, were organized in the belief that acquisition cost would be a lesser proportion of premiums than for agency business, and in most cases insist such is still the case.

Returns of some companies are dwindling in proportion to the effort and expense put into advertising. It is also true that the loss ratios during the depression years have been somewhat higher, and with increasing claim consciousness due to the public's need for money during depression, it has been harder to hold the loss ratio down to a reasonable figure.

Mathematical Progression

As these companies grow their lapse rate continually represents a larger number of policies going off the books, so they must steadily increase their publicity expenditures merely to offset lapses, and if they aspire to production increase must in addition pay the price for that.

Outstanding among the companies affected are the assessment accident companies and traveling men's associations, the \$3.65-a-year accident companies and life companies operating by mail.

Some of the officials have been thoroughly aware of the situation and have been tinkering with the idea of developing agency forces, qualifying in various states and thus going on a standard basis. But especially in the cases of the \$3.65 companies and traveling men's associations, one official commented, it would be difficult if not impossible to qualify for licenses, pay the company and agents' license fees, state premium taxes and heavy cost of examinations by insurance departments, and also maintain their low rate contracts. To depart from their specialized field would place them at disadvantage with other older, better organized agency companies.

Entering the Life Field

Nevertheless, at least one of the \$3.65 companies has brought out a life insurance policy with graded face amount selling at \$3.65 a year at all ages, and also has canvassed the possibility of preparing to enter the commercial accident and health field if and when new volume drops to a point making that necessary. These "side-lines," organized but undeveloped, would serve as shock-absorbers.

The particular company referred to, once radio broadcasting throughout the

United States and Canada on a huge basis, has virtually discontinued the radio advertising but is still sending out millions of direct mail pieces and advertising widely in newspapers. This company now is faced with problems arising from the law of diminishing returns, as are some of the others.

Companies that have been less concerned with volume than persistency and quality of business, and a reasonable profit, report last year's volume being equaled this year and feel much less the pinch of this new business problem.

Where the \$3.65 companies missed their opportunity, an executive of one of them admitted, was in the failure some time ago to form an alliance to employ competent counsel and meet the issue presented by the passage by the Pennsylvania legislature about three or four years ago of a law prohibiting use of newspaper, radio or any other publicity means, except the U. S. mails, in selling policies of unlicensed companies. There were \$3.65 officials who were convinced the law was unconstitutional, violating the 14th amendment. There was a newspaper ready to be the "victim" in a test suit, but the alliance was not formed. The traveling men's associations, however, are highly organized and are carrying on the fight.

With the Pennsylvania statute un-

challenged a number of other states adopted similar laws, including Ohio, Maryland, Florida, Louisiana, Massachusetts and California. It is said similar measures will be introduced in the Illinois, Iowa and Missouri legislatures this year, the effort having been made by Insurance Director Palmer at the last session of the Illinois legislature through the medium of his code which failed to pass in its entirety although separate provisions were taken out and passed in various bills.

Write \$700,000 Performance Bond on N. Y. Subway Work

A \$700,000 performance bond for the Carleton Company of New York City, which was awarded contract for section 8, route No. 101 of the subway has been written by the National Surety and a number of other participating companies. Various indemnity bonds in different amounts required by railroad companies affected by the construction also were written. Other companies on the bonds are the Fidelity & Deposit, Standard Surety, American Surety, Standard Accident, Fidelity & Casualty, Massachusetts Bonding, New Amsterdam Casualty, American Employers and Columbia Casualty. The

Armitage Agency of New York was the broker. The new subway section will run under Sixth avenue from 27th street to 33rd street, going over a tube of the Pennsylvania railroad and under tracks of the B. M. T. Relocating and rebuilding the terminal station of the Hudson & Manhattan railway at 33rd street is necessitated. The Carleton company has built four sections of the subway.

Fight New York Job Law

NEW YORK, Oct. 28.—Representing 1,500 employers, Associated Industries of New York State and several individual firms have filed briefs in Washington questioning the constitutionality of the New York unemployment compensation law, in preparation for arguing the validity of the law next month. The act was upheld by the New York court of appeals.

A. Duncan Reid, president Globe Indemnity, was expected in Chicago Saturday en route to his company's 25th anniversary celebration on the Pacific Coast next week. He will be accompanied by Mrs. Reid and F. J. Williams, general manager Royal-Liverpool group from Liverpool, who arrived in New York a few days ago en route to Australia.

Current underwriting conditions in casualty insurance indicate to the alert agent the value of the direct relationship with Company Executives afforded by the Bankers Indemnity Insurance Co.

BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

Casualty Affiliate of The American Group

CASUALTY PERSONALS

The Willcox-Lumpkin Company of Columbus, Ga., has represented the Travelers for 70 years, completing the record Sept. 28. It has been affiliated with the company longer than any other agency. DeWitt F. Willcox, on Sept. 28, 1865, took the agency. The Travelers was then scarcely a year old. The last battle of the Civil War had been fought at Columbus just a few months before. Mr. Willcox represented the Travelers for 40 years. His grandson, F. G. Lumpkin, the president of the agency, has represented the company even longer than his grandfather. He entered the office in 1892, the agency then being D. F. Willcox & Son. When his father retired from the business in 1897, the name was changed to the present. The founder of the agency

was at work in his office only a few hours before his death, which occurred in his 81st year.

Bernard Marcus, superintendent of the burglary department of the Aetna Life, celebrated the completion of 25 years with the company the past week.

A. C. Vreeland, Inc., New Orleans, has just celebrated its 30th anniversary as general agent of the Ocean Accident.

Walter S. Pope, formerly casualty commissioner of Texas, is now practicing law in Abilene, Tex., under the firm name of Pope & Pope, Walter S. Pope, Jr., being a partner in charge of the Anson, Tex., office. Mr. Pope lived in



INSURANCE BROKER: "I am very sorry but the Insurance Company will not continue your Accident Insurance due to your age."

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OVER AGE ACCIDENT INSURANCE

● You are performing a valuable service when you provide accident insurance for such persons and there is much business to be obtained from this new source. "Old Timers" will be grateful to you for telling them about it.

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A. F. SHAW & COMPANY, INC.
Insurance Exchange CHICAGO Wabash 1068

AMERICAN Re-Insurance Co.

Robert C. Ream, President
99 John Street New York

DECEMBER 31st, 1935

CAPITAL	\$1,000,000.00
Surplus	4,044,764.57
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	3,597,772.91
All Other Liabilities	1,407,161.98
TOTAL ASSETS	10,479,898.46

NOTE: Securities carried at \$690,943.75 in the above statement are deposited as required by law.

CASUALTY RE-INSURANCE

Coleman county 20 years and practiced law at Anson, Jones county, for 22 years before becoming casualty insurance Commissioner, he serving in that office from 1928 to 1935. He was regarded as a very competent man.

William Brosmith, vice-president of the Travelers, who is approaching his 80th birthday, is very ill. Early this week his condition was reported as being improved but there is much solicitude as to the eventual outcome. He has been connected with the Travelers since 1895.

Albert Vogt, who is attached to the United States head office of the Zurich, has returned after a vacation of about three months in his native Switzerland. He spent considerable time in his home city of Winterthur and then vacationed in a resort.

C. E. Appler of Appler, Schroyer & Cline, general agents credit insurance department London Guarantee, Chicago, who has been ill for several weeks, is still confined to his home. He has shown some improvement the last week.

R. A. Whitaker and John C. Froberg, newly appointed joint managers, were honored by employees of the California Inspection Rating Bureau at a banquet in San Francisco.

While boasting of his excellent health, A. L. Kaems, 75, Milwaukee, inspector of the Employers Mutual of Wisconsin, dropped dead at Rock Island. He was in a car driven by C. E. Nichols, representative of the Employers Mutual there.

ASSOCIATIONS

Chicago Glass Club Given New Life; Burger President

The old Burglary Underwriters Club of Chicago now is functioning as the Chicago Burglary & Plate Glass Association, L. W. Burger, manager Bankers Indemnity having been elected president, succeeding W. A. Coan of the old club. Mr. Coan becomes vice-president; H. L. Bredberg, treasurer, and George Borkovec is secretary. The club meets every Thursday at a restaurant near the Insurance Exchange to hold a round table discussion of underwriting problems. The old club was passive for a year or more. Its successor was initiated as a means of controlling the glass situation and preventing a rate war.

Malicious glass breaks are occurring frequently, the glass bureau set up in the Chicago branch of the National Bureau of Casualty & Surety Underwriters under Manager Peter Malah reporting an average of about 100 malicious breaks a month, as shown by reports of member companies. The replacement cost in such cases is running \$5,000 to \$5,500 monthly. Many malicious break reports indicate "ball bearing" as the missile. The favorite method of the organized crews is to throw ball bearings from slingshots. However, the loss is not large compared to the peak of two years or more ago, when monthly totals ran as high as \$16,000.

Los Angeles Group Elects

LOS ANGELES, Oct. 28.—C. C. Cattermole, Great American Indemnity, was elected president of the Casualty & Surety Field Men's Association of the Pacific Southwest at its annual meeting, succeeding J. E. Tucker, Globe Indemnity. A. E. Walker, Eagle Indemnity, is vice-president, and Alfred Dux, Fidelity & Casualty, secretary-treasurer.

The Seaboard Surety of New York will pay a dividend of 50 cents per share Nov. 16. The dividend paid May 15 was 25 cents.

Casualty Company Activities

U. S. F. & G. Income, Surplus Increase for Nine Months

BALTIMORE, Oct. 28.—Total income of \$25,734,264 for the nine months ending Sept. 30 is reported by E. Asbury Davis, president United States & Fidelity Guaranty. This was the largest volume of business handled by the company for any comparable period since 1931, Mr. Davis said. The first nine months of 1935 total income was \$23,583,490.

The amount carried to surplus up to Sept. 30 was \$1,531,984, making the surplus as of Sept. 30, \$9,025,571, as compared with \$6,662,517 on Sept. 30, 1935.

The surplus does not include any increase resulting from appreciation in the value of securities, which as a result of the rising price trends amounts to a substantial sum.

New Associated Indemnity Setup

President C. W. Fellows announces steps are now being taken for a change in the capital setup of the Associated Indemnity to qualify the company for entry in all states where it is not now licensed. Present capital of \$500,000 will be increased to \$750,000 through transfer of \$250,000 from surplus, leaving a surplus on the basis of Sept. 30 statement of \$1,062,063. Mr. Fellows says the varying requirements of state statutes with respect to capital for the several lines underwritten make the change desirable.

The company has recently been involved in litigation with the Wisconsin department on the question.

Excess Sues Travelers Mutual

DES MOINES, Oct. 28.—The Excess has filed suit for \$1,721 against the Travelers Mutual Casualty of Des Moines, alleging that it failed to pay certain premiums due under a reinsurance contract.

Bay State Hearing Postponed

BOSTON, Oct. 28.—Hearing on the appeal of 45 companies against the 1937 compulsory automobile liability insurance rate schedule of Commissioner DeCelles, which was set for Friday, was again postponed on request of the attorney-general to Oct. 30.

Retrospective Rating Study

NEW YORK, Oct. 28.—Risk Research Institute has published in pamphlet form the address which John R. Blades, insurance adviser, New York City, presented at a luncheon meeting sponsored earlier this year by the institute. Mr. Blades analyzes the retrospective plan objectively, giving both its good and bad points. It is said that his analysis is helpful to brokers in selling the retrospective idea to their clients. The pamphlet sells for \$1.

Miss Alice M. Weldon has resigned from the Towner Rating Bureau of New York effective Oct. 30. She recently was married and is retiring from business life. Miss Weldon has been connected with the bureau for six years in fidelity, surety and forgery rating work. A farewell dinner was tendered her at which all the staff and many were present. Brief talks were made by R. H. Towner, J. L. Kirkwood and Martin W. Lewis of the bureau, and R. J. Hill representing the companies.

Miss Weldon has been with the bureau for 6 years rendering excellent service to subscribers on all branches of fidelity, surety and forgery rate-making.

CHANGES IN CASUALTY FIELD

Conkling, Price & Webb Are in Credit Insurance Field

A recent bulletin to brokers was issued by Conkling, Price & Webb of Chicago announcing the opening of a credit insurance department in charge of William T. Cline. This is a branch of the credit insurance department which has been operating in the London Guarantee building, 360 North Michigan avenue, for many years, in charge of Apple, Schroyer & Cline.

The London Guarantee is the only company writing credit insurance which also writes the other casualty lines.

This new department will enable Conkling, Price & Webb to furnish brokers exceptional facilities for handling credit insurance. Mr. Cline has done a large business with brokers, and this arrangement will bring him into closer contact with them. He will be glad to assist with any prospects brought to him in this line.

Through an arrangement just made for the representation of a prominent Lloyds group, Conkling, Price & Webb has added a further service to brokers.

Ross with Colonial Mutual

The Colonial Mutual Compensation of Los Angeles has appointed Burt C. Ross special agent for southern California.

He started as an office boy in the New York City office of the Fidelity &

Casualty, later being with the John G. Hilliard agency, and with the Travelers as an underwriter in the casualty department. Since going to the Pacific Coast he has been with the Zurich, the Maryland Casualty and more recently with the Pacific Employers as special agent.

Evleth Made Agency Chief by Manufacturers Casualty

W. W. Evleth has been appointed superintendent of agencies of the Manufacturers Casualty of Philadelphia, a newly created office. For the past five years he has been branch manager in Pittsburgh and before that was in the underwriting department at the home office. Succeeding him in Pittsburgh is J. J. Elligette, who has been promoted from the underwriting department at the home office. Before joining the Manufacturers he was with the Globe Indemnity in New York.

The company's charter has been amended to write burglary and plate glass. The Manufacturers has made arrangements with the National Surety to provide bail bond and release of attachment service up to \$5,000 anywhere in the United States on automobile insurance.

Charles D. Towner, casualty manager of the Travelers branch office in the Bronx, New York, has been transferred as associate manager to the New York 42nd street office.

WORKMEN'S COMPENSATION

Liab Under Qualifying Bond

Workmen Covered by Insurance Companies in Receivership to Get Compensation

SAN FRANCISCO, Oct. 28.—"A most important and far-reaching decision of the United States Supreme Court" now assures those employees whose employers had insured in companies which were placed in the hands of receivers, their compensation, according to announcement of the California department of industrial relations. The action of the court was the denial of petitions for writs of review on Oct. 12, in three test cases entitled Columbia Casualty vs. Industrial Accident Commission, et al, Nos. 238, 239 and 240, which had been decided by the state supreme court March 31, 1936, and to be found in 5 California Reports (2d), pages 770 and 785.

Columbia Casualty had issued the required bond for the Independence Indemnity, guaranteeing payment of awards rendered against the latter company in event of default or insolvency of the Independence. When the Independence went into hands of a receiver, it failed to pay awards which were outstanding. After the awards were final, the industrial commission issued awards against Columbia Casualty.

The report said: "The decisions by the courts in these cases not only guarantees that the hundreds of employees and dependents who were the beneficiaries of awards against the Independence Indemnity will receive payment in full under such awards but they also establish a precedent for a like result with respect to numerous other cases arising out of the default or insolvency of other insurance carriers which occurred during the depression."

Concern Over Colorado Proposal

DENVER, Oct. 28.—A proposed amendment to the state compensation law is causing a great deal of concern

among insurance men and leaders of industry.

The bill provides for an arbitrary assumed basis of earnings for not less than five eight-hour days a week, for all classes of employment, steady, part-time, seasonal and occasional. An analysis of the bill prepared by the Colorado Trade Executives Institute estimates that rates for representative industries will be increased 40 to 60 per cent.

Propose Minnesota Reduction

ST. PAUL, Oct. 28.—Proposals submitted by the Minnesota compensation rating bureau call for an average reduction of about 6.6 per cent, following an average cut last year of 2.8 per cent.

Hearing on the proposals probably will be held about the middle of November so that the new rates can be put into effect Jan. 1, 1937.

As annual compensation premiums in Minnesota amount to close to \$5,000,000 the new rates, if approved as proposed, will mean a cut of upwards of \$300,000 in Minnesota premiums next year. However, it is likely that the Minnesota compensation insurance board will increase somewhat the proposed reduction, as it did last year.

Seek Higher N. J. Benefits

NEWARK, Oct. 28.—New legislation providing for increased workmen's compensation benefits and for optional selection of attending physicians is under preparation by attorneys for the New Jersey State Federation of Labor, for introduction in the Legislature early next year.

The first measure would increase temporary compensation limits from present maximums of \$10 and \$20 to \$15 and \$25 as a means of greater protection for skilled craftsmen who earn in excess of \$37 weekly. Permanent rates would not be changed from present limits.

The second measure would permit the injured workmen to be treated by a doctor of his own selection rather than by a doctor selected by his employer or insurance company as now required.

Modern Insurance

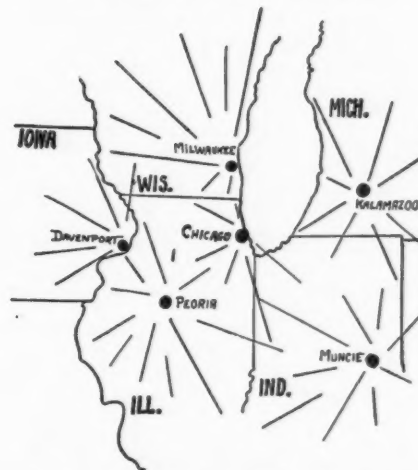
The revised, up-to-date comprehensive Public Liability forms underwritten by this organization enables any aggressive agent to boost his premium income and prevent competitors from being the "first" to present modern policies.

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Effect New Lineup in the Two Bodies

(CONTINUED FROM PAGE 45)

New York. Mr. Beha under the re-organization program becomes general counsel for both the bureau and the association.

The launching of the Association of Casualty & Surety Executives in 1926 followed an appreciation by chief company officials that a need existed for a medium where problems "common to all companies and affecting the business of all companies as a whole" could be considered. A. Duncan Reid, president of the Globe Indemnity, who had been vigorous in promoting the new organization, was chosen its first president, and ever since has been forceful in its councils. The organization devoted a large part of attention to following legislation and in preparing and disseminating data serviceable to state commissions and municipal bodies in their consideration of both surety and casualty insurance affairs. A year ago, to give proper attention to the growing interests of the surety members of the association, Col. R. F. Proctor was appointed to its staff, resigning his connection with the Maryland Casualty to assume the connection.

C. W. Fairchild, former Colorado insurance commissioner, who becomes acting manager of the Association of Casualty & Surety Executives, has been assistant manager and has done a very constructive piece of work. F. Robertson Jones, who is made secretary, will be used in consultation and special service.

Jones to Travel

Relieved of the arduous duties of general manager of the Association of Casualty & Surety Executives, although continuing as its secretary, Mr. Jones will now be able to gratify his long cherished desire to make a trip around the world in company with Mrs. Jones. He will sail from New York Oct. 31, stopping at London, Havre and thence visiting most of the countries of continental Europe and Asia. The trip will extend several months.

In addition to serving as general counsel for both the Association of Casualty & Surety Executives and of the National Bureau, J. A. Beha will continue as chairman of the fidelity and surety and of the casualty acquisition cost conferences.

New Executive Committee Members

At the meeting of the Executives Association five new members were elected to the executive committee. They are: U. S. F. & G., Employers Liability, Maryland Casualty, Ocean Accident and American Surety. Those whose terms continue on the executive committee this year are: Travelers, Aetna Casualty, Hartford Accident, Hartford Steam Boiler, Fidelity & Casualty, National Surety, Massachu-

setts Bonding, Great American Indemnity, Indemnity of North America and Globe Indemnity.

Mr. Leslie graduated from the University of California in 1911, where he studied actuarial science. He went with the Reliance Life of Pittsburgh, as actuary, remaining two years. When California State Compensation Insurance Fund was organized in 1913, he was employed as secretary and actuary. In 1919 he went with the New York department as actuary in charge of compensation. Then, following two years as a consultant, he was made general manager of the National Council on Compensation Insurance. From there he moved to the National Bureau.

He is a man with a profound knowledge of his subject and is an excellent diplomat. He has the respect of all in the business.

Claude W. Fairchild, assistant manager of the Executives Association, who is made acting manager as well to succeed F. Robertson Jones, who continues as secretary but with greatly modified duties, served as Colorado commissioner and as president of the National Convention of Insurance Commissioners. For 10 years he has been connected with the casualty executives association, doing legislative and public relations work. He has been effective in his field and is well known.

Mr. Fairchild will leave upon an extended trip within a few days to visit key men in a number of states.

Considers Future of Auto Insurance

(CONTINUED FROM PAGE 45)

which will permit the stock companies only an even break on their underwriting. "The facts of the past would seem to dispel the illusion that mutual competition can be met with drastic rate reductions," said Mr. Stellwagen.

Reviewing the history of rating methods, he referred to the general liability manual of 1901, which simply provided that automobile should be double the rate for teams insurance. Next came a classification on horsepower, with some ridiculous results, owing to the crude method of calculating horsepower. Next came the classification by list price and use and driver," which broke down because of misclassification in the field. Finally came the present classification, by symbols, which take into effect five considerations, maximum brake horsepower, shipping weight, engine capacity in cubic inches, list price and wheel base.

Devices to Rate the Driver

In 1929 the merit rating plan was introduced, which also broke down for general use, although the company which originated it still gives the merit rating credit on risks which have been insured with that company for the required time, so that the accident record is absolutely known.

Recently there have come various de-

vices to rate the driver, instead of the car. There are offered occupational rating systems, preferential rates for preferred risks, policies for selected operators, etc. Mr. Stellwagen made two observations on this record. One is that the system of classification, applied with a measure of success by one company, breaks down when applied by all companies. The second is that departures from the orthodox classification system are becoming increasingly numerous and that most, if not all of them, tend to increase the emphasis on the driver and decrease the emphasis on the car.

Affected by Many Laws

The legislation affecting the automobile insurance business comes under many heads. There are compulsory automobile insurance laws, safety responsibility laws, laws prescribing the coverage in the policy, laws making the owner responsible for anyone driving his car with his consent and laws affecting rates. Sometimes agents seek laws on rates, hoping to establish uniformity. Mr. Stellwagen pointed out that uniformity in rates favors mutual companies more than stock companies, because when rates are level, the mutual dividend has a stronger appeal.

With regard to the future, Mr. Stellwagen said it seems safe to conclude that the effort to rate the driver will continue, and that at some time in the not distant future the bulk of the business will be underwritten with more attention to the driver than to the car.

Opposed to this trend is that form of regulation and legislation which stifles initiative and which sets down in inelastic form the procedure by which risks are to be rated and covered. "We should guard against rate control and particularly rate making by public authorities," he said. Unfortunately, uniform rate legislation has merely accentuated the appeal of participating companies and in no case has it been strong enough to prevent some deviator from undermining the uniform rate structure.

As to meeting mutual competition, the stock agent must sell the customer on the value of his service, and on the superiority of the stock company plan.

Illinois Problem: What to Do With Impaired Worker

(CONTINUED FROM PAGE 45)

1, 1941, employers who have not filed rejections are permanently under the act.

Another striking peculiarity of the law was brought out. The industrial commission has no jurisdiction on occupational diseases until acceptances are filed by employers. The commission is receiving acceptances as offered, but the mere filing does not determine doubtful questions. Thus it is uncertain whether an employer who files for domestic servants really comes under the act. Yet the commission is accepting elections on domestic servants. A question was asked regarding the 60

days of employment under the act, required to establish a right of action. Mr. Cronin expressed the opinion that this meant 60 working days, and not 60 calendar days.

Another question was on the 50 percent waiver of benefits which can be filed within the first 60 days that the law is in effect, by which employees release their claims for past exposure. It seems such a waiver can only be effective when there is an actual onset of the disease, revealed on a physical examination and established at a hearing before the industrial commission. If there is no visible onset of the disease the commission cannot approve the waiver and it is ineffective. Apparently the object is to prevent employers taking waivers on a wholesale basis, when there is actually no disease started.

These waivers must be filed within the first 60 days, which would appear to be before Nov. 29. Mr. Cronin thought that the waivers would take effect from the date of filing, and not from the date of approval. The commission is trying to hold a hearing within 10 days of the filing.

This brought up the point that if the waiver was filed late in November, and the hearing was not held until some time in December, the 60 days of employment under the act might be completed before the hearing, and the right of action would accrue. It was agreed that if the waiver is filed late, the only safe way for the employer is to lay off the man before he has completed 60 days of employment, and keep him off the payroll until the hearing is held.

A peculiar but entirely possible situation was discussed. A waiver might be filed and the commission might hold that the employee showed no onset of a disease, and therefore the commission might disapprove of the waiver. The employer, however, might be convinced by his own medical advice that the employee did actually show the onset of disease. The employer after the ruling and after the 60 days might then lay off the employee permanently, for fear of an early claim. Other employers might refuse to take on the man, for the same reason that his former employer laid him off. The employee would therefore automatically become a claimant, because his disease was the cause of his inability to work at his trade. If he had completed 60 days of employment with the first employer, it was held entirely possible that in passing on his claim, the industrial commission, with a new referee, might hold that he was disabled, and the disability benefits would be payable by the first employer.

Buffalo Branch Increase

Writings of the Buffalo branch of the Fidelity & Deposit the first nine months exceeded by a substantial margin the total volume of business written by that office in 1931, its previous peak year. Carl H. Kuhn is manager in charge. His territory comprises 11 counties in western New York.

1916

20th Anniversary

1936

Illinois Casualty Company

SPRINGFIELD

AUTOMOBILE INSURANCE

Always Under Same Management

J. L. PICKERING, President

P. W. PICKERING, Sec.-Treas.

Illinois Iowa Indiana Missouri

Apply New Jersey Scheme in Ohio

(CONTINUED FROM PAGE 3)

in its operation in New Jersey. It has been authoritatively stated that within the period since this plan was adopted in New Jersey, one year ago, more than \$50,000 has been saved to the depositors and others financially interested in distressed lending institutions largely through the operation on this plan of insurance management.

The director of commerce of Ohio and the divisions of his department are to be congratulated upon the approval of this plan to remove from political influence the servicing of insurance required by his department. This opportunity which has been so ably developed by Francis P. O'Connor and John A. Lloyd, respectively president and secretary of the Ohio Association of Insurance Agents, holds out to the local agents of that state a conspicuous opportunity to further demonstrate the value of bonafide agency service in the efficient handling of insurance.

Motor Death Rate Rises Sharply as Year Closes

An all-time high in deaths from automobile accidents is expected this year as a result of five consecutive monthly increases, figures announced by the National Safety Council indicate. If the present tendency continues, it was estimated, the 1936 toll would be 37,500, or 500 greater than in 1935. A 5 percent increase is noted for the May-September period.

There were 3,420 auto deaths reported in September, compared to 3,350 in September, 1935. The nine-months total is 25,850, as compared to 25,830 in the same period of 1935. All of the increase is attributed to deaths of children and young people between ages 5 and 24. A factor, however, is greater car-miles, it being estimated gasoline consumption and car mileage were about 10 percent higher, so that the relative mortality may not be so high as at first appears.

Records of large and medium size cities continue to improve but deaths in small cities rose sharply in September. The urban record was 2 percent better for September and 4 percent better for the nine months. Cities of 100,000 to 250,000 population showed the best improvement, with 24 percent reduction in September and 9 percent for the nine months. In cities of 50,000-100,000 population auto deaths jumped 61 percent in September and 14 percent for nine months; cities 25,000-50,000, 19 percent rise in September and 11 percent for nine months.

New Amsterdam Report

Examination report of the New Amsterdam Casualty by the New York department as of Dec. 31, 1935, brought down to Sept. 30, 1935, shows surplus

\$1,055,518, capital stock \$1,000,000, unearned premium reserve \$5,644,910, loss reserve \$10,244,714 and admitted assets \$18,794,845. Surplus and contingency reserve were reduced by the examiners by \$1,735,397 as of Sept. 30, 1935, of which \$1,258,203 was caused by valuing holdings of insurance stocks at their statutory value under restrictions of section 16 of New York insurance law. There was increase of \$823,195 in loss reserve, decrease of \$208,721 in unearned premium and a credit of \$280,513 for salvage recovered and recoverable.

Transfer Nearly All Assets

All assets of the General Alliance except its holdings of 200,000 shares of General Reinsurance have been transferred to the latter company with approval of the dissolution plan for General Alliance approved by stockholders. The shares were distributed in the ratio of one of General Reinsurance for each two of General Alliance.

De Shields With A. & C.

H. B. DeShields, formerly with the R. F. Coleman Company, the service organization, has joined the Accident & Casualty of Switzerland and is now at the United States head office in New York assisting in organizing the claim department. He was formerly connected with the head offices of the Maryland Casualty and Employers Liability.

Neal Bassett, U. S. manager, and Ogden Davidson, assistant U. S. manager of the Accident & Casualty, were in Chicago.

Opens Brooklyn Branch

A branch office has been opened by the Royal Indemnity at 16 Court street, Brooklyn, in the offices of the Royal in the borough with Manager J. W. Richardson in charge. William Paul has been appointed casualty and surety underwriter in the branch and C. J. Shea, special agent, will continue to service Brooklyn producers. The Brooklyn office of the Royal and Royal Indemnity now is equipped to furnish complete fire, marine, casualty and surety facilities.

Garr with McGee Agency

KANSAS CITY, Oct. 28.—J. R. Garr, for 13 years with the Travelers, the last 10 in charge of casualty underwriting at the Kansas City branch, has resigned to go with the Thomas McGee & Sons agency. Mr. Garr will be in charge of all liability underwriting for that agency. The Travelers branch office will give Mr. Garr a farewell party Oct. 31.

L. H. Lippincott Campaigning

L. H. Lippincott, director of education for Lumbermen's Mutual Casualty, has been in demand as a Republican speaker during the closing days of the campaign. He spoke in Iowa City on "Social Insecurity" and will appear in Pontiac, Ill., Oct. 29, and Pekin, Ill., Oct. 30.

Sues Pullman for Eye Loss

W. S. Hukill, Jr., Cincinnati insurance man, filed suit in common pleas court there for \$25,000 against the Pullman Company for loss of sight of his left eye. He claimed that on a trip in a Pullman car from Miami March 23 he left the drawing room, catching his foot on a loose fold of carpet and being thrown against the side of the car, injuring his right hand and tearing loose the retina of his left eye with loss of sight.

George Dyer, superintendent of the automobile department, Central Surety, Kansas City, was a visitor in Chicago for two days this week, conferring with Manager Lloyd Conochie of the Chicago branch office.

Many Entries Received in Anniversary Idea Contest

The Maryland Casualty's \$500 40th anniversary idea contest is moving along with wide enthusiasm among agents and employees all eager to win the \$200 top prize or one of the 17 other awards. Many entries have been received. The contest closes Oct. 31 and announcement of winners will be made in the December issue of "The Marylander," the company's publication.

Members of the committee in charge are: Mayor H. W. Jackson of Baltimore, a director of the Maryland Casualty; J. M. Mathes, president of J. M. Mathes, Inc., New York advertising agency; Glenn Griswold, editor of "Business Week"; J. A. Hartman, secretary of the Maryland who has been connected with it since 1899; G. M. Seal, the auditor, associated with the Maryland for 36 years. A general agent and resident vice-president or resident manager will be named from the field. The Maryland Casualty's anniversary date is March 1, 1938.

Gives Report of Examination

Illinois Department Tells About the Benefit Association of Railroad Employees of Chicago

The Illinois department has issued its report of the examination of the Benefit Association of Railway Employees, 901 West Montrose avenue, Chicago, as of Dec. 31. This is a mutual legal reserve company writing accident and health insurance. Its assets are \$2,093,789, liabilities \$823,614, and surplus \$1,270,175. The report says that the association is in a sound financial condition. Its cash position is ample for current operating needs. The investment portfolio is composed of high grade securities affording ample liquid resources. The expense and loss ratios have been favorable and the treatment in general extended to policyholders has been most satisfactory. The department says that the expansion and development have been along sound and conservative lines and with the continuation of the present form of operation further progress can be reasonably expected.

Scope of Coverage

The operating executives are Vice-president P. E. Keller, Secretary J. M. Street and Treasurer A. Bloomfield. The company has featured and developed the writing of insurance on a pay order deduction privilege obtained from the assured with the original application submitted. Railroad policies for accident carry as principal sum \$5,000 with double indemnity and \$200 maximum monthly indemnity benefit. The maximum health benefit is \$200. In its group business the principal sum is \$3,000 with \$100 monthly indemnity for accident and health. The association has no reinsurance treaty with other companies.

Agency Organization

The agency organization is developed and operated under an agency contract with A. J. Lindsley. He is the organization director and must bear all expense of securing business. He also pays the compensation of the principal officers and employees. The contract authorizes a gross commission of 20 percent of the net premium from railroad business and 30 percent on industrial or group. However, the company has never paid in excess of 20 percent on any business and by mutual agreement that rate has been fixed.

Premiums last year were \$2,523,267 and total income \$2,647,299. It paid in claims \$1,417,226, its total disbursements being \$2,518,273.

Appointed Claim Manager

William J. Benson has been appointed manager of the claim department of the

Glens Falls Indemnity in Milwaukee, C. M. Hayden, Chicago, vice-president, announced this week. Mr. Benson succeeds Harry L. Hart, who has been transferred to Minneapolis as special representative in charge of company affairs in Minnesota and northwestern Wisconsin. Mr. Benson has been an adjuster in the Chicago claim office of the Glens Falls for the past three years.

Hold A. & H. Lectures

NEW YORK, Oct. 28.—"Closing the Accident and Health Sale" was the title of the fourth in the series of lectures delivered by L. M. Kuh, district manager disability division Continental Casualty, before a gathering in the New York office. The next lecture will be offered Nov. 10.

Withdraws from Connecticut

The Massachusetts Accident of Boston has withdrawn from Connecticut.

New Amsterdam Men Visit

J. D. Mahon and E. J. MacLeod, vice-presidents of the New Amsterdam Casualty, spent part of last week in Chicago. They stopped over while on the way home from a trip to Pacific coast offices and agencies of the company. They will visit Detroit, Cleveland and Pittsburgh before returning to the home office in Baltimore. It was Mr. Mahon's first visit in several years to Chicago.

Goes to Home Office

W. W. Steiner, resident vice-president of the United States Casualty in Chicago, is spending several days in New York visiting the home office of the company. He will return at the end of the week.

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Truckmen As Unit Shop for Coverage

(CONTINUED FROM PAGE 43)

was offered from the floor, to the effect that the committee should have no power to adopt or recommend any particular plan of coverage. One of the strongest arguments for the proposition was that the A. T. A. has adopted the policy of not endorsing any product, service or other matter. It was also pointed out that the interest of the truck men would be better served by promoting competition among the companies for their business. After Mr. Horton explained the need for group bargaining and reiterated that the farthest the committee would go would be an endorsement or suggestion, not binding in any respect on any members, the convention voted down the amendment by a close vote and thus gave Mr. Horton's committee group bargaining power.

Little Support for Mutual Plan

The attitude of the members towards the insurance companies is remarkably friendly, considering the difficulties which most of the truckmen have had in securing insurance. A year ago the association was in a very militant mood and adopted a resolution directing the insurance committee to look into the establishment of a mutual or reciprocal, following a survey which had been made previously. Now the great majority of the members appears to realize the seriousness of the underwriting situation and instead of fighting the companies are anxious to cooperate with them to reduce losses and make underwriting feasible. Mr. Horton's statement in his report that the trucking industry must bear its own losses and put insurance on a basis where it can provide a premium adequate to pay claims, incidental expenses and a reasonable profit to the insurance carriers, met with almost unanimous approval.

The only damning of insurance companies came from two aggressive delegates from Colorado who declared that the insurance companies are discriminating against the trucking business and are trying to obtain unreasonably high premiums. These delegates offered an amendment to the instructions, ordering the insurance committee to present definite plans for the formation of a mutual at the next annual convention, unless the insurance companies "came to terms" within six months. The motion found no sympathy from the floor and was voted down. Several members, in speaking against this idea, declared there was no reason to believe that a truckmen's mutual would have any better experience with the business than the existing insurance companies.

MARKEL NEGOTIATIONS

Much interest is in evidence in insurance circles as well as trucking headquarters in the negotiations of the insurance committee with S. A. Markel of Richmond, Va. Mr. Horton stated that the committee had hoped to announce the formation of a new pool at the convention, but the illness and death of Mrs. Markel had prevented the scheduled conference in New York on this matter. Another meeting is scheduled within the next few weeks and Mr. Horton stated that he hoped to be able to make a definite announcement to the A. T. A. shortly after that. Just what company or companies are contemplated in this pool, neither Mr. Horton nor the representatives of the Markel organization at the convention would state. It is, however, the evident hope of the committee that this pool will embrace not only liability and property damage, but cargo and compensation lines and will be equipped to give coverage and service on a nationwide basis.

The main criticism of the insurance companies that came out in the meeting is that they have not provided adequate inspection and accident prevention service. It is evident that all members of the A. T. A. who have considered the insurance question seriously feel that the solution lies in the establishment of a nation-wide service on these lines, which will also handle claims quickly and wherever located. The truckmen all feel that once such an organization is established, getting good companies to underwrite the business will be comparatively simple. Behind the opposition to any group arrangement for A. T. A. insurance is the feeling that the proposed pool will serve as an entering wedge, that once some stable system of accident prevention and claim service is established, other companies will go into the market and the truckmen will profit from competition.

Truckmen Insurance Conscious

Mr. Horton, who was elected first vice-president of the A. T. A. at this convention, is a large and successful operator and has the reputation of being keen and fairminded. Through all of his statements there ran the undercurrent that in attempting to work out a national insurance plan he had in mind not so much the majority of the members present as the great body of smaller truckmen. The A. T. A. leaders naturally represent the cream of the trucking business, operators on scheduled lines predominating. In many respects there is a sharp conflict between these interests and the larger but less potent group of truckmen operating on a job basis. To a great extent the non-scheduled operators compete with the large scheduled lines in that after completing a run to one city they invariably inquire among all the available shippers to see if they can pick up a load for the return trip. The officers of the A. T. A. have unquestionably leaned over backwards in their efforts to be fair. While this perhaps may be due to a desire to build up membership in the association, still it has done much to enable the trucking business to present a united front, particularly on such questions as insurance.

WELCOME I. C. C. MOVE

The larger carriers welcomed Interstate Commerce Commission regulation, hoping it would end rate cutting and keep the small operators from encroaching on their business. Today they feel that it is not a panacea, although there are few complaints against the I. C. C. itself or the rules so far published.

The larger operators have usually been able to secure insurance, although competition on these lines is far less than it was in the past. Almost every insurance man knows, however, that the background and attitude of the smaller truck operators toward insurance has never been satisfactory. Most of them are graduates of the horse-drawn cartage days, or sons of cartage men, and never thought of insurance as a necessary protection to their business. As they graduated into the motor truck business they found their customers becoming more and more insistent that they be insured before they could get business. Thus they came to regard an insurance policy as a prerequisite to business getting, with little thought of protection. Consequently, they bought their insurance from the cheapest source obtainable, particularly in the days when few shippers bothered to examine policies, question the financial stability of the companies or do anything but ask if they were insured. For years competition for their business

was keen and frequently they were able to buy their insurance at a lower rate each year. The wholesale stampede of the insurance companies from the long haul truck business left them first bewildered and then resentful. There is no doubt but that the prestige of the A. T. A. among these truckmen would be tremendously enhanced if it could make it possible for them to secure insurance.

SHIPPER'S VIEWPOINT

Another insurance note was sounded by L. E. Muntwyler of Chicago, chairman of traffic group, National Retail Dry Goods Association. Speaking on trucking from the viewpoint of the shipper, Mr. Muntwyler pointed out that the Interstate Commerce Commission minimum liability limits of \$5/10,000 on public liability, \$5,000 on property damage and \$1,000 on cargo are grossly inadequate. He was particularly emphatic on the cargo limits, stating that anyone carrying goods of average retail values cannot be adequately insured with a limit of \$1,000 and warned the truckmen that they cannot satisfy their customers by carrying the minimum I. C. C. limits. He also devoted considerable attention to one of the sore points of cargo underwriting, though from the viewpoint of the shipper or consignee, rather than from that of an insurance company. This is the lack of adequate information on bills of lading and package labels and also the lack of knowledge on the part of many truckmen of the operations of connecting lines over which they route their shipments. Particularly in view of the fact that railroads have finally awakened to their competition and are offering better service than ever, he pointed out that it will be very difficult for a truckman to secure business in the future unless he can give his shipper and consignee definite information as to when, how and by what lines a shipment originating over his line will be delivered.

Few Consolidations Reported

There have been fewer consolidations of truck lines following the publication of I. C. C. regulations than was expected, although there probably will be some in the near future, particularly those involving joining of lines serving contiguous territories. The I. C. C. is not friendly to consolidation of competing lines and is definitely opposed to absorption of lines by railroads. Several financial operators gained control of lines, or backed the founding of lines, with the evident purpose of selling them to a railroad or other interest, rather than intending to operate them. The majority of the A. T. A. members are real truck line operators and intend to remain in that business. Consequently, they are as much opposed to consolidation or financial manipulation and to absorption of truck lines by railroads as anyone. This point was also raised by Mr. Muntwyler, who stated that shippers would do business with truck operators, but not with financiers who were in the business solely for the purpose of consolidation or sale.

The American Trucking Associations, Inc., is an outgrowth of the NRA code days. It is a consolidation of various units representing different types of the trucking business and was founded as a result of the administration's demand for a trade association to handle code problems. Most of the officers, including Mr. Horton and T. V. Rodgers of Scranton, Pa., who was re-elected president, are veterans of the code negotiation days. The members have money, as is evidenced by the fact that \$30,000 was pledged to meet the association deficit within a few minutes after a reading of the financial report. It promises to be a powerful organization and seems well worth the attention of insurance interests.

Says Whittling of Claims Aids Faker

(CONTINUED FROM PAGE 43)

rush to retain lawyers. The usual attorneys' fee in a negligence case is 50 percent of the recovery or settlement. This immediately doubles the ante insofar as the company's chance to settle is concerned. It also lends moral encouragement to a number of people to exaggerate claims.

"While I realize that there is generally justification for the company's attitude towards these claims, I believe that it would be good business nevertheless for them to take the initiative by propaganda, and by action, to acquaint the public with a change of policy. The fruition of this course of dealing might require time, and might boost claim costs for some period, but I am sure that eventually it would more than justify itself. It is also well to bear in mind that if companies do not set their houses in order in this respect, the government might."

Simon Asks Comprehensive Bureau

Because district attorney's offices are not normally equipped to start preliminary investigations and prepare evidence necessary for conviction in accident fraud cases, insurance companies should step into the breach and go even farther than present organizations are going, Mr. Simon declared in his presidential address.

"There should be a merger of all existing bureaus which must undertake a comprehensive investigation of the circumstances surrounding all fraudulent claims, with the object of apprehending criminally the claimant and his accessories," said Mr. Simon. "Such a bureau must be manned by experienced executives familiar with criminal law procedure and experienced investigators, so that when an investigation is completed, the case is ready to be placed right in the lap of the district attorney. The proper effort should then be continued to assist the district attorney's office in the preparation and trial of these cases. . . . The National Board of Fire Underwriters, with a similar agency, has succeeded in reducing arson cases to a minimum."

Mr. Simon concluded his speech by presenting to A. G. Hall, editor of the "Insurance Advocate," the association's medal which goes annually to the individual who has "performed the most meritorious service for the insurance broker's profession."

Pink Makes Appeal

An appeal to the city authorities, public and press, and particularly to agents and brokers to stand back of the New York department in its effort to maintain the rate making structure on a basis of facts and experience, justice and fair play, unswerving by political promise and public clamor was voiced by Superintendent Pink.

Commenting on the connection between accident frauds and automobile rates, Mr. Pink said the investigation being conducted by Mr. Botein should be extended beyond the scheduled six months. While an investigation limited to this time can do much good Mr. Botein and his associates should be continued on the job indefinitely if a permanent change is to be effected.

"The work that is being done will undoubtedly have substantial effect in reducing automobile liability premiums," said Mr. Pink. "If the automobile drivers and owners are careless and indifferent, if the public is conscienceless in its claims against insurance companies, the rates go up. If ambulance chasers and fake claim rings are permitted to operate with little opposition, the rates go up. If lawyers are without conscience in padding claims and doctors are willing to magnify injuries, the claims go up. The public makes the rates by its own conduct and by the kind of government it maintains. The insurance companies do not make the rates. They only reflect conditions."

DeCelles Seeks to Inflamm Agent

(CONTINUED FROM PAGE 43)

making. He said that Newton, "largely inhabited by persons not of my political inclinations, received the largest reduction in dollars that has been given to any city or town since the inception of the automobile insurance law."

He warned the agents in discussing the situation not to be in contempt of court.

The situation is not so acute as to cause the stock companies virtually to abandon the agency system, he said. This is shortsighted and threatens the structure of the stock company idea.

If there is a wholesale refusal to write agency business, he predicted, a competitive state fund will be established. If such a fund is established, he said, the chances are that it will be extended to other branches of the business.

"One company official told me yesterday that he did not care if such a state fund came about," Mr. DeCelles declared. "I believe he was sincere, because he would not suffer. His salary would still read in five figures, while the struggling agent and broker would lose the major part of his income. This is not my fight alone—this is your battle for existence."

"By and large," he concluded, "the agents are an honorable group of men, merely seeking to make an honest and legitimate living in this commonwealth of ours. I hope that the company officials will be able to recognize your sterling qualities and see you as I see you."

Hold Long Hearing on Pacific Mutual

(CONTINUED FROM PAGE 44)

amined by Attorney Doherty representing New York non-cancellable policyholders, when he stated he was ready to consider any plan that would be for the best interests of all concerned. He said that the assets of the Pacific Mutual are \$60,000,000 and the value of the securities is higher than at the time they were acquired. A decrease of 5 percent would impair the company, he said. Commissioner Carpenter said that he had changed his policy relative to the agents and was ready to pay full non-can commissions in order to keep them working. He also planned to renew agency contracts under his system.

General agents from eight states prefer Commissioner Carpenter's plan to that of the Occidental Life, the commissioner claims. He said under the Occidental Life, \$1,000,000 is available for non-can benefits, \$100,000 of it immediately. He said that 30 percent of the non-can policyholders also are life policyholders. He said that he had discussed President L. M. Giannini's plan with him for over a week. Attorney Lee, who was representing Chicago non-can policyholders, was told by the court that a motion to dismiss Commissioner Carpenter as conservator would not be entertained. The court reprimanded Attorney Lee rather severely for his bringing in extraneous matters when the latter declared that something unsavory was being concealed.

Mr. Carpenter vigorously defended his plan, saying that if liens were applied against policies his plan could function but not satisfactorily. Under the Giannini plan, he said, the accident and health business would go to a separate company so he could not exercise the same supervisory control as under his plan. He held agents would be worse off under the Giannini plan. Attorney H. S. Dottenheim for non-cancellable policyholders conducted the cross-examination on these points, the court differing with Dottenheim, holding comparisons would not be considered.

Attorney Meeker representing Commissioner Sullivan of Washington took

up the examination. Mr. Carpenter said under his plan non-can benefits were definite but he did not know what they would be under the Giannini proposal.

He thought liquidation proceedings would be necessary for the Giannini health and accident company as set up in the offer that was made. Mutualization, he said, was set ten years ahead because it was agreeable to all groups and afforded a feasible period in which to work out difficulties.

Mr. Carpenter, in brief, testified that in providing for restorations of benefits to non-can policyholders his plan contemplated a cushion fund sufficient to insure fulfillment of the schedule; that his plan as is, or in amended form, must be approved or he would be forced under California law to apply for liquidation of the Pacific Mutual.

He said he changed his policy regarding renewal commission to agents on the non-can business to retain their services, an asset he set at \$5,000,000. He sought reinsurance but was rejected by nine large companies. Mr. Carpenter expressed belief the price offered by the Giannini group was inadequate and said he doubted that group's ability to fulfill the promises unless the proposal were changed.

Judge Willis read into the record statements relative to the court's powers in the case, explaining he was not sitting as a judge in equity nor as a court of law, but only pro forma as the superior judge, and therefore had no power except that conferred by the insurance code, to approve or disapprove the Carpenter plan or some modification of it or substitute. He said the law covering the action is so new that he will have to interpret it.

Comments on Occidental Plan

Commissioner Carpenter said that in setting up the new Pacific Mutual an effort was made to prove to policyholders that their interests were secure. The new company now is licensed in 34 states. He said that the actuarial figures show that the non-can benefits at the end of 1937 should be from 53.57 percent to 95.46 percent according to years, with practically full restoration at the end of 15 years. Under the management of President A. N. Kemp there has been a saving of \$500,000 in expenses since November last year.

In speaking of the Giannini Occidental Life plan, Commissioner Carpenter said that he doubted the ability to pay non-can benefits promised. Under the setup as filed with the court, Commissioner Carpenter said that he considered the Occidental Life's accident company insolvent before it starts, because of no surplus. The Occidental Life, he declared, offers less to non-can policyholders than does his plan.

Mr. Merrick sought unsuccessfully to have Mr. Carpenter fix a value on the old company. Mr. Carpenter said in his opinion the Giannini group's actual offer totaled \$10,568,000.

David Rubin called attention to the International Life, Missouri State Life and 13 other companies operated by holding companies which failed.

Another intervention petition was filed by Attorney H. K. McKevitt of San Francisco, on behalf of himself and a group of noncancellable policyholders.

Toledo Man Is New Head of Ohio Agents Organization

(CONTINUED FROM PAGE 37)

request that organization to appoint a representative or a committee to work jointly with our association's committee on this matter.

Whereas, the profession of the agent has become one of increasing responsibility, demanding greater qualifications and more technical requirements, and, whereas, the National Association of Life Underwriters has secured an agreement with a large group of life companies to eliminate the part-time agent, now therefore, resolved that the Ohio association go on record urging the National Association of Insurance Agents

to seek an agreement with fire, casualty and surety companies to stop the appointment of part time agents.

Thanks were given Superintendent Bowen, Attorney-general Bricker and Assistant Attorney-general Miller for their splendid cooperation.

Chicago Medics to Seek Change of Illinois Law

Amendment of the Illinois workmen's compensation law will be sought by the Chicago Medical Society so that the injured employee may select his physician, surgeon and hospital services, the employer to be liable for the "reasonable value of such services." Under present law the employer must supply first aid and other medical service reasonably required by the injury, but if the employee

selects it he must pay the expense. The action was taken by resolution of a meeting just held.

Casualty company underwriters and claim men see in this an initial move to open the matter of examinations for occupational disease coverage, and fear that the expense under such an arrangement would be prohibitive.

Insurers Traffic Detectives

Members of the Chattanooga Insurance Exchange have constituted themselves as reporters of traffic law infractions. The Exchange has provided its members with cards on which reports of infraction may be made. About 15 common types of infractions are listed on the cards with space for the reporter to check. Then there are entries for the license number of the car, the time and location.

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Allen Touches on Commission Topic

(CONTINUED FROM PAGE 44)

officials. Where states enact laws providing for modern accounting and auditing, there is no trouble. Mr. Allen suggested that the agents should memorialize the Tennessee Taxpayers Association on this specific subject.

Mr. Allen said that he had always been in favor of adequate commissions on a fair basis. On the other hand, he sees danger to the agency fraternity if excess commissions are paid involving possible irregularities, rebates and scandal. He sees a bright opportunity ahead for the local agent with improved business conditions. A successful agent, he said, must be an aggressive producer and efficient underwriter and equipped to service his business with accuracy and dispatch.

Mr. Allen paid his respects to the non-stock and non-board companies and criticized stock company agents willing to accept reduced commissions from them and harboring them in the same office with their organization companies, using them where they feel they cannot get the manual rates. Mr. Allen was ominous in his prediction that if the business written by stock companies continues to be diverted by their own agents and brokers to outside concerns it is only a question of time when the stock companies and their agents must determine whether or not the present system is the right one.

Outsiders Have Gotten a Foothold

Outside concerns he said, have gained a foothold in certain states with deplorable results. He called attention to the fact that a number of the important agents representing good stock companies have taken on one or more non-board companies or mutuals or forming brokerage connections with outsiders. Competition between agents and brokers has already brought a condition that may well affect existing rate structures and standard scale of commissions, he added. He said that the danger of this procedure lies in the fact that the price conscious public will not fail to observe that agents in offering lower rates and accepting reduced commissions are in accord with the contention of many large buyers that the present cost of insurance is too high.

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Julian Lucas Only One to Ask Standard Policy Change

(CONTINUED FROM PAGE 4)

as a matter of common practice been eliminated by granting permission for other insurance, permission for mechanics to be employed beyond the 15-day period, etc.

He expresses the belief that the explosion hazard except steam boiler, etc., should be within the coverage of the policy. He recommends that the chattel mortgage clause be eliminated. He also recommends the removal of the fallen building clause.

Mr. Lucas states that some restrictions should be put upon rating organizations in the use of the various types of restrictive clauses. Some of these are legal and some are not, he said. Unless restrictions are removed, the frame work of the standard fire policy will be destroyed, he contends.

Knowledge on the part of an agent at the inception of the contract of the existence of a cause for forfeiture should be knowledge on the part of the company, and a waiver of the forfeiture, according to Mr. Lucas. An agreement by an agent to transfer, endorse or change the policy conditions, whether in writing or by parole agreement, even though not actually attached to the policy, should be permitted.

Obligation of Mortgagee

The language should be so phrased as to settle the question whether a mortgagee is required under the mortgage clause to pay the premium upon demand. If a change as to the obligation on the part of a mortgagee to pay the premium be made, the demand for payment of the premium should be within a reasonable time.

Efforts should be made to modify and if possible to make uniform the requirements in case of loss, especially as to filing of proof within 60 days.

Mr. Lucas suggests a clause reading: "It is understood and agreed that a breach of a policy condition or warranty as to occupancy, increase of hazard, or the use of prohibited articles, does not void the contract unless they contribute to the loss."

Mr. Lucas pointed out that marine companies are providing fire insurance in their all risk policies, without most of the restrictions contained in the standard fire policy, such as fallen building clause.

E. C. Fox Warns Against Too Stringent Qualification Act

(CONTINUED FROM PAGE 5)

should seriously consider the question of regrading their commission scale, paying the highest commissions to the highest grade agents who conduct their agencies on a high moral and efficient plan without the extra commissions to large producers, whether they be agents or local general agency producers. Lower commissions should be paid to solicitors and all who do not make insurance their principal business or do not properly function as an agent. Agents should stick to their companies who support their systems and who do not aid and abet their destruction, said Mr. Fox.

Asks for Funds

The state insurance department's operations were reviewed by Harold B. Haas, administrative adviser. There are many problems encountered in licensing of agents which necessitate additional funds to enforce the law, he said. The insurance department will seek new legislation at the next session of the legislature to remedy defects in the present qualification law. He asked the cooperation of the association.

While the agency qualification law has given the agents some help, said President William P. Welsh in his annual report, in its present form it cannot be expected to control the situa-

tion entirely. A simplified plan, to which all local boards can and will subscribe, is necessary to make progress, he said. The development of definite qualifications fair to both company and agent, and subscribed to by all local associations, should be the guiding principle. Too much time has been spent in controversy with a few companies instead of supporting companies who have a sincere desire to cooperate with agents, he declared.

Should Watch Compulsory Advocates

Increased interest in compulsory automobile liability insurance was pointed out by President Welsh. Such a measure would certainly affect the livelihood of every insurance producer, he declared. With rare exceptions insurance interests have adopted negative action in solving this problem, he said. Constructive action should be taken, because if it is not taken by the insurance business some one else may do it.

Unless the practice of companies of reducing commissions on certain lines is not curbed, particularly on new forms of coverages, the future of local agencies is decidedly most insecure, said Mr. Welsh. Agents should demand that new policies carry a fair and adequate commission, he declared.

Accident Prevention Stressed

Special attention was given accident prevention, with Douglas Evey of Oakland, chairman of the state highway safety committee, presiding. Dr. A. R. Reinke, chief of the East Bay Safety Council's educational staff, discussed "Vision and Its Relation to Safe Driving." Ray Ingels, director of the California motor vehicle department, spoke on "Can We Find a Remedy?"

The pros and cons of the compulsory automobile insurance were outlined by Floyd M. Lane, Oakland local agent. Compulsory insurance is not the cure-all for the state and highway accident situation, said Mr. Lane. Although such a law may make it possible for an injured person to effect recovery for damages, in accomplishing this purpose there are certain by-products which offset the benefits derived from the law. The compulsory law does not decrease accidents nor encourage careful driving. Compulsory laws cause increase in claims, collusion and undesirable claim practices. It means a substantial increase in rates and the injection of politics in rate making. Compulsory laws increase litigation and court congestion and encourage illegal registration. It takes from the companies the right to select their own business. General sentiment is strongly against such a measure, he said.

The reduction of loss ratios of commercial fleets through accident prevention and safety work were outlined by G. C. Appleton. Chairman Evey and Percy S. W. Ramsden also commented on the effectiveness of safety work.

Much Danger Seen in Direct Writing

(CONTINUED FROM PAGE 5)

begin to cut down and it can reduce the cost of acquisition by eliminating agents and finally becomes a direct writer.

In Mr. Hewitt's opinion, direct selling is a menace to future prosperity as he called attention to the fact that there are millions of people who are as much service men in their business as the insurance agent. If these millions are eliminated by direct selling, serious unemployment problems will result. People will have less comfort and the change will come so gradually that the public may not be conscious of it. If the agency system is abandoned he predicted that something not so good will take its place.

Mr. Hewitt called attention to the fact that a direct writer can take advantage of technical clauses and there will be no one to fight for the assured if the assured is morally right. The agent

stands by his customer if he thinks that customer is right and just even if the company contends otherwise. As Mr. Hewitt puts it, "The service man's job is to put his clients in the position where liability cannot be denied for anything short of fraud or dishonesty or trying to stretch the cover to mean something not intended."

Mr. Hewitt said that agency companies will not eliminate agents or cut their commissions for anything short of economic necessities. Their agency plants, he pointed out, are among their most valuable assets and they know it. When he was vice-president of the National he correctly sensed the producer's value to his company but he acknowledged that he failed fully to sense the fact, now very apparent to him, that it is the agent and his personal relations with and hold on business which has held business for and checked the flow of premiums from the regular companies.

Should Have Census Taken

Mr. Hewitt seemed to feel that there should be a census taken of everybody employed in every insurance office, the number of people in their families, the number and names and addresses of those likely to be affected sympathetically or actually by any movement which would reduce or eliminate the income of the agent.

The direct seller in Massachusetts, he said, has been preparing a raid on the insurance business for many months in the casualty field. Large premiums at suicidal rates in the light of loss experience have been taken on by them. They may get burned in the process and then they will increase the rates.

Mr. Hewitt asserted that people may argue that it will be years before the direct writer really hurts the agents through his nutcracker method but he feels the movement is right on insurance now. The direct writers, he said, show ever increasing aggressiveness and they are constantly grabbing premium plums unheard of three or four years ago.

Drop Lloyds License Litigation

LINCOLN, NEB., Oct. 28.—The Omaha Association of Insurance Agents and Jack Ringwalt have dismissed the action recently brought to test the right of the Nebraska department of insurance to issue to Harry A. Koch and the Koch Company of Omaha a license to represent London Lloyds in Nebraska. Months ago Mr. Ringwalt was named by the department to handle business of Lloyds that licensed companies had turned down. He based his suit on the contention that only one agent could represent an unlicensed company in the state, and that he should be protected after he had gone to considerable expense to build up the business for Lloyds.

Director Smrha said he was informed that Lloyds had agreed not to ask for the naming of any more agents in the state. The insurance director said he would have preferred to have the case submitted for a decision, as he had taken the position that issuing a second license was discretionary, whereas the attorney general held that any qualified agent must be given a license. Mr. Koch now has such license.

Over 10,000 Suspended

LANSING, MICH., Oct. 28.—The financial responsibility law passed in 1933 in Michigan has resulted in the suspension of driving privileges of 10,246 motorists, of whom only about 1,500 have been able to regain them by establishing their responsibility. Driving while intoxicated accounts for approximately 90 percent of the offenders. Only 184 lost their privileges by failing to pay judgments as damages under \$300 are excluded.

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Statement January 22, 1936

ASSETS

U. S. Treasury Bonds and Notes	\$1,390,291.54
Other Bonds	484,505.00
Stocks	137,543.87
Accrued Interest	16,519.07
Cash in Banks	1,037,080.82
	<u>\$3,065,940.30</u>

All Securities taken at Market Value January 22, 1936.

LIABILITIES

Voluntary Contingency Reserve	\$ 565,940.30
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	1,650,000.00
Surplus to Policy Holders	<u>2,500,000.00</u>
	<u>\$3,065,940.30</u>

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